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ABSTRACT

The relatively high number of school districts in New Jersey, with a legacy of a strong local home rule heritage, has been of interest to policymakers for many years. In the past few years, concerns for cost, educational equity, and program quality have brought new interest in consolidating these districts. Of the state's 603 local school districts, 281 have fewer than 1,000 students, and 146 have fewer than 500. It appears that limited progress toward school district consolidation could be achieved through strengthening financial incentives, facilitating public understanding of the advantages, eliminating statutory barriers, expanding state technical support, and encouraging regional approaches to such areas as transportation and school construction. This review of reports prepared for local districts, accompanied by interviews with district administrative personnel, offers a clearer picture of the regionalization process and its associated problems. Public perception does not favor regionalization at present, and the state's relatively high dependence on the property tax means that financial aid or financial penalties will probably be necessary to encourage mergers. Recommendations are made to encourage consolidation, by demonstrating that regional systems produce substantial operational savings, better program offerings, and improved facilities. It is noted that the smaller, poorer districts, those most likely to benefit from regionalization, are the least likely to be able to afford it. (Contains 2 figures and 6 tables.) (SLD)

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Reducing the Number of New Jersey School Districts: Regionalization and Consolidation Options

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April 1996

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Public Affairs Institute,
the educational research affiliate of

PUBLIC AFFAIRS RESEARCH INSTITUTE
OF NEW JERSEY, INC.

April, 1996

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Introduction

This paper has been prepared as part of a project conducted by the Public Affairs Institute, Inc., the educational research affiliate of the Public Affairs Research Institute of New Jersey, Inc., (PARI) with support from The Schumann Fund for New Jersey. The project has summarized past national, state and local studies and experience in utilizing school district regionalization or consolidation as a policy option to improve educational programs or to reduce educational costs. The summary is intended to assist policymakers and other interested parties in determining whether regionalization is a realistic and worthwhile objective. The project also reviews possible initiatives to encourage consolidation of the current number of school districts in New Jersey.

PARI has a long history of interest in regionalization issues in the Garden State. A prior project by PARI reviewed the "Mancuso Report", the first major study issued in 1969 proposing consolidation of New Jersey's school districts. In 1991, a PARI report documented the level of administrative expenditures in school districts.

The regionalization of school districts in New Jersey is closely aligned with issues relating to school district sending and receiving relationships, property tax burdens, pupil transportation and school facility planning and construction.

Although this project was not designed to explore the sharing of services as an option to district consolidation, some of the recent work in this area has been included because of its relevance to potential savings which could be redirected to support consolidation initiatives. The focus of this study is on analyzing the more difficult option of encouraging consolidation of all district services.

The staff at PARI appreciates the support of The Schumann Fund and the many educators and organization representatives who assisted with this project. Substantial additional material, including potential consolidation studies provided by local district representatives too voluminous to include in this paper, is available for review by interested parties.

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Executive Summary

New Jersey's relatively high number of school districts, a legacy of a strong local home rule heritage, has been of interest to policymakers for decades. Despite the progress of other states in consolidating the number of independent districts, New Jersey has failed to establish a strong commitment to school district consolidation as a policy option in educational reform.

In the last few years, however, concerns for improving cost efficiency, educational equity, and program quality have brought increasing attention to school district consolidation as a potential initiative. Prior studies have identified excess costs and inefficiency in administration; pupil transportation; and school construction as special areas of concern. New Jersey spends substantially more per student than any other State, with expenditures over 20% higher per pupil than Alaska and New York, the second- and third-ranking states in per pupil spending. Of New Jersey's 603 local school districts, 281 districts have less than 1,000 students, with 146 of these districts having under 500 students. The current system continues to divert funds from the classroom, preventing the most effective use of available resources to reach the goal of the "thorough and efficient" education guaranteed New Jersey students by the 1947 State Constitution.

Unlike other states, New Jersey provides no financial incentives to support districts interested in potential merger. The Governor and the Legislature through the "School Efficiency Act" enacted in 1995 have attempted a new approach to cost control by penalizing districts with administrative costs significantly above the state average and providing extra state aid for larger K-12 districts, but have avoided mandates for district consolidation. In the 1996-97 legislative session, Senator Donald DiFrancesco and Assemblyman Richard Bagger have introduced legislation to establish an incentive fund for district regionalization, but the level of funding appears insufficient to encourage widespread consolidation. The political prospects for strong State intervention to impose mandatory consolidation or stronger financial penalties on local districts, extremely questionable in light of New Jersey's special home rule heritage, are made even more difficult in light of recent trends for the State to eliminate or reduce state aid to wealthier districts and for the State to avoid mandates on local communities.

It appears, however, that limited progress toward school district consolidation could be achieved through strengthening financial incentives; facilitating public understanding of the relative costs and benefits of the current system compared to larger, regional operations; eliminating current statutory and procedural barriers to voluntary mergers; expanding State technical support for districts considering possible mergers; and encouraging regional approaches in such areas as pupil transportation and school construction.

This study's review of reports prepared for local districts accompanied by interviews with district administrative personnel offers a clearer picture of the regionalization process and associated problems.

- The general public in New Jersey views regionalization as the loss of neighborhood schools and local identity. Public and political support for new consolidation initiatives will require demonstration that regional systems produce substantial operational savings, better program offerings, and improved facilities for less taxpayer dollars.
- New Jersey's relatively high dependence on the property tax to fund local schools makes it unlikely that districts will consolidate without significantly greater help from the State in the form of some type of aid or stronger penalties to discourage continuance of the current system. There are few reasons compelling enough for a school district to accept a neighboring district as a regional partner, particularly if that action increases the tax rate. The smaller, poorer districts - the ones most in need of consolidating with a larger district - are the least likely to be able to do so.

- There are major procedural and legal obstacles facing districts considering reorganization. The general procedural requirements to establish regional districts are expensive and complicated, especially for poorer districts. Statutory restrictions on withdrawal from current affiliations also reinforce maintenance of the current system.
- Little information is available to support public acceptance of the cost effectiveness and educational advantages of consolidation of small school districts. Local district studies of possible consolidation options supported by State grants from the Department of Education have not even been collected or reviewed by the Department.

Recommendations

1. The Legislature should establish a policy of promoting school district regionalization by providing incentive funding to encourage potential district consolidation. If transportation systems were regionalized, upwards of $50 million could be channeled into incentive funds through the state aid formula to ease the consolidation process.

2. The Legislature should consider modifying the requirements for withdrawal from present affiliations in order to promote development of more districts with a kindergarten to 12th grade (K-12) design.

3. The Department of Education should develop a feasibility model of districts, primarily built on present affiliations, which are best suited to K-12 consolidation. Consideration should be given to the potential for the breakup of some larger regional districts in order to facilitate K-12 development. Particular attention should be given to the needs of small, poor districts.

4. The State should expand the available information to quantify potential operational savings, facilities and infrastructure savings, and the benefits of educational program offerings which could be gained through consolidation of school districts.

5. The State should develop a plan to end sending/receiving relationships.

6. The State should assume a more aggressive role in encouraging regional approaches in new school construction or expansion of existing facilities. Possible initiatives include reviewing the potential relevance of the State Development and Redevelopment Plan in requiring assessment of regional needs in school facility finance and construction; incorporating a regional needs component for the funding of school facilities in the "School Efficiency Act"; and including goals and strategies for a regional approach to the development of future school construction in the Department of Education's proposed Strategic Plan.

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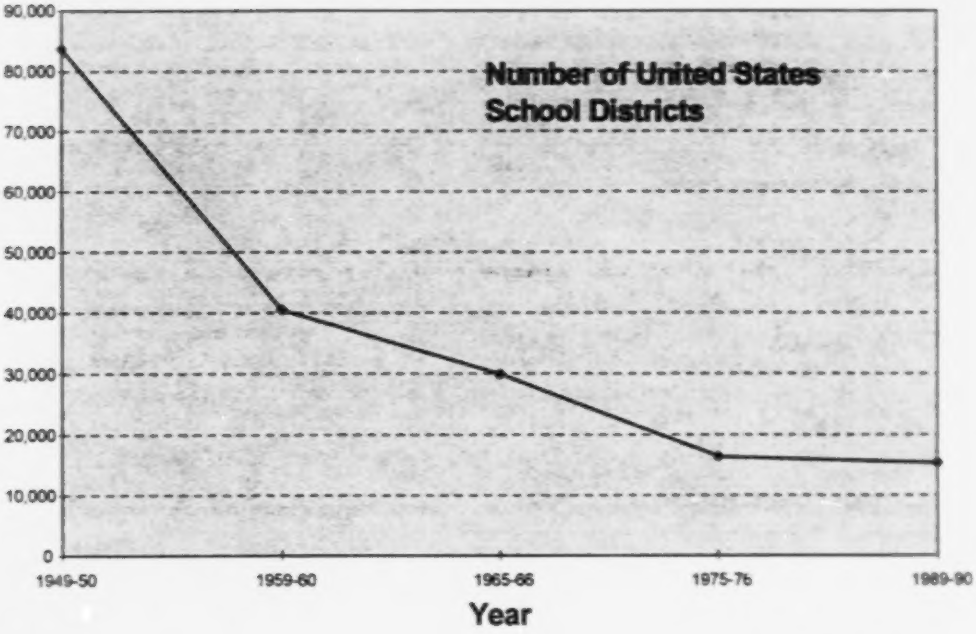

Number of United States School Districts

Number of Square Miles per School District

Ranking	State	Sq. miles/district
1	New Jersey	12
2	Massachusetts	18
3	Rhode Island	28
4	Vermont	28
5	Connecticut	28

Background on Regionalization

Overview

Between 1949 and 1990, the number of independent school districts in New Jersey increased from 559 to 603. Nationally, over that same period, the number of school districts in the United States declined from 83,642 to 15,387 (see opposite page) with most of this consolidation occurring between 1949 and 1975. While New Jersey has continued to operate over 600 school districts, other states have implemented consolidation programs in order to offer more comprehensive programs and operate more cost-effectively. New Jersey is the only major industrial state which has not developed a more regional-based approach to providing public education. New Jersey has the lowest number of students per district of major industrial states and the highest expenditures per pupil in the country. According to the Department of Education's **Comprehensive Plan for the Educational Improvement and Financing**, at least part of these costs result from the duplication of services in the many small districts around the State. And, New Jersey's students appear to be performing no better on national exams than students in surrounding States.

How New Jersey Compares to Other Eastern States

State	Enrollment 1994	Number of Districts*	Students/ District	Expenditures/ Pupil 1993-94	Pupil/ Teacher Ratio	1995 ** Composite SAT Score	Graduates Taking SAT
New Jersey	1,152,205	603	1,947	$ 9,429	13.9	898	70%
Pennsylvania	1,745,230	501	3,483	$ 6,804	17.4	880	70%
New York	2,746,200	721	3,809	$ 7,642	15.3	892	74%
Connecticut	493,500	166	2,973	$ 7,558	14.5	908	81%
Maryland	772,638	24	32,193	$ 6,117	16.9	909	64%
Massachusetts	878,734	352	2,496	$ 6,361	15.1	907	80%
Delaware	105,547	19	5,555	$ 5,779	16.5	897	68%
Florida	2,039,385	67	30,439	$ 4.894	18.2	889	48%
Virginia	1,045,472	136	7,687	$ 5,169	15.7	896	65%

* School districts, excluding educational services commissions
** Verbal plus Math Scores

Sources: National Center for Educational Statistics and The College Board

Probably the most glaring discrepancies in expenditures between New Jersey and other states are in the area of pupil transportation. The cost per pupil for transportation is 66% above Connecticut, the second ranking State. Considering that New Jersey is the most populous State in the nation with small neighborhood schools, the costs associated with pupil transportation should be comparable or less than other Eastern States. A recent Deloitte and Touche LLP report (see section X-B3), commissioned by the New Jersey State Treasury, concluded that "the relatively large number of small, independent school districts in New Jersey is likely the most important contributor to the state's comparatively high cost of pupil transportation. Significant cost savings from economies of scale are not realized simply because New Jersey's pupil transportation program is fragmented among too many districts with too little inter-district collaboration."

New Jersey Pupil Transportation Costs
Compared to Other States, 1991-92

State	Pupils Transported at Public Expense	Total Transportation Expenditures	Average per Pupil Transportation Expenditures
New Jersey	456,258	$ 438,500,820	$ 961.08
Connecticut	347,655	$ 200,914,216	$ 577.91
Delaware	88,001	$ 35,186,159	$ 399.84
Illinois	1,013,477	$ 429,158,992	$ 423.45
Maryland	490,965	$ 239,739,188	$ 488.30
Massachusetts	576,921	$ 332,304,497	$ 576.00
New York	2,159,266	$ 1,185,232,195	$ 548.91
Pennsylvania	1,363,121	$ 249,468,477	$ 183.01
Ohio	1,292,172	$ 357,689,690	$ 276.81

Source: **School Bus Fleet,** Deloitte and Touche LLP, and PARI

School District Structure

By law, each municipality in New Jersey constitutes a separate school district unless, by a vote of the people, two or more municipalities act to unite and form one district. The school district remains a separate and independent legal entity, subject to the control or supervision of the municipality or municipalities only in certain budget requirements or restrictions. School districts are divided into Type I districts, where the mayor appoints the members of the board of education and a board of school estimate fixes the annual budget, and Type II districts, where members of the board of education are elected and the annual school budget is submitted to the voters for approval. New Jersey law provides that local school districts may combine with other local school districts to form regional school districts. Two types of regional districts are authorized:

1. All-purpose regional school districts which are organized for all the school purposes of the constituent districts.

2. Limited-purpose regional districts which are created for a specific limited purpose such as for elementary, junior high school, high school, vocational school, special school, health facilities or for other designated educational services or facilities. (N.J.S.A. 18A:13-2)

A constituent member of a regional district is a full partner in the designed regional system with representation on the board of education and with the value of taxable property contributing to the total ratables of the regional district. Regionalization of school districts does not necessarily mean less school districts. If a group of districts join together in a limited purpose arrangement, the number of districts actually increases.

According to N.J.S.A. 18A:38-8, any school district having the necessary accommodations may receive, or be required to receive by order of the State Board, pupils from another district not having sufficient accommodations. A sending school district pays tuition to a receiving school district for students who are residents of the sending community. When a district is receiving students, it may set a tuition rate which is determined as the actual cost per pupil based on a formula approved by the State Board.

The current school district organizational structure in New Jersey consists of 209 school districts that offer education programs from kindergarten through 12th grade. There are 49 limited purpose regional high school districts operating either a 7-12 or a 9-12 grade pattern that provide high school programs for students who attend elementary districts, either K-6 or K-8 systems. The elementary districts have joined together as constituent members of the regional high school districts, but there are still 107 school districts that operate elementary grades and send their high school students to other districts on a tuition basis. Twenty districts operate no schools and pay tuition to send their students to neighboring communities. The table below provides a more comprehensive summary of the variety of districts in this State. It should be noted that there are 281 local school districts that have less than 1000 students, with 146 of these districts having less than 500 students

New Jersey Local School District Structure

	Type of District						
1994 Enrollment	K-12	9-12	7-12	K-8	K-6	Elementary Sending Districts	**Total**
0-249	0	0	0	14	17	37	**68**
250-499	0	1	2	22	19	34	**78**
500-999	14	10	2	58	13	38	**135**
1000-1499	31	9	7	19	5	14	**85**
1500-2499	51	9	5	7	5	4	**81**
2500-3499	33	1	0	6	1	0	**41**
3500-4999	31	0	0	4	0	0	**35**
5000-10499	38	2	1	2	0	0	**43**
10500-30000	9	0	0	0	0	0	**9**
30000+	2	0	0	0	0	0	**2**
Total	**209**	**32**	**17**	**132**	**60**	**127**	**577**

Note: Vocational school districts, special services districts, and educational commissions are not included in this table.
Source: Ernest Reock, Center for Government Services, Rutgers University

Historical Background

Governor Brendan Byrne once observed that "home rule is a religion in New Jersey". Situated between two major cities, New York and Philadelphia, New Jersey was, from as early as Revolutionary times, dominated by its outside economic ties and its role as a transportation corridor to its neighbors. On a regional basis, this created economic and political divisions within the state between the northern part of the State servicing New York and the southern communities focusing on Philadelphia. The diverse national and religious composition of the State's early settlers also promoted strong local concerns rather than regional or statewide interests; thus, individual communities reinforced their own special national or religious heritage through local control of government and education.

After the Revolution, New Jersey's emphasis on local control was strengthened by its dependence on revenues generated primarily by its position as a transportation corridor, with fees and taxes imposed on canal companies, railroads and financial institutions supporting the

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limited public services of the state governments with virtually no other state taxes. In 1800, New Jersey had about 100 municipalities. New towns were incorporated, however, to avoid local tax increases or provide additional services. The 1844 Constitution authorized unrestricted, ad hoc legislative charters for new municipalities, and the number of municipalities proliferated. Thus, from early stages in its development, New Jersey established a lasting heritage of an extremely limited role for the State government; low levels of State revenues and a high dependence on local property taxes to support public services, particularly the schools.

The New Jersey Constitutional Convention in 1947 established a stronger role for the State government. Other catalysts for change, including federal highway and housing polices, and legislative reapportionment, allowed a new State political system to emerge during the next several decades. Even with the evolution of a stronger State government, the State's home rule tradition continued to maintain a strong influence in public education. During the period from 1949 to 1975 when school district consolidation on a national level sharply reduced the number of districts, New Jersey's state government still had a relatively minor role in local school district structure due to its comparably small financial support of public education. Between 1962 and 1977, the first year when the state income tax was in full effect, New Jersey's proportion of total state and local revenues derived from the property tax declined from 55% to 42%. Although the State's relatively stronger role in financing local schools has provided new leverage in school district governance and operations, New Jersey's home rule advocates continue to oppose State intervention in local district affairs.

New Jerseyans have battled over redistribution of school tax dollars for over two decades. Citizens still vote on school budgets to determine resource commitments to their local schools. New Jersey is only one of four states which allow voters to approve or reject school budgets. Districts choose their own local taxing and spending levels and thus have continued to exacerbate expenditure disparities. Despite mandates by the courts to redistribute state aid dollars more equitably, in 1996 New Jersey is still grappling with a new approach to school funding.

Education funding is central to the long-standing controversy over state and local finance systems, inextricably connected to home rule and thus a major issue in regionalization proposals. In 1969, a report issued by the New Jersey Department of Education's Committee to Study the Next Steps of Regionalization and Consolidation of School Districts, which became known as the **Mancuso Report** (see section X-B4) reviewed the structure of school districts in New Jersey. The report concluded: "New Jersey will more successfully meet its educational obligations if the existing number of school districts is reduced by reorganization based on districts encompassing a total K-12 program." Since the controversial **Mancuso Report** over 25 years ago, policy analysts and State officials have frequently proposed the consolidation of existing districts into regional districts to improve efficiency and implement more effective educational programs. A follow-up report in 1980 suggested that all non-operating districts be eliminated and sending/receiving relationships be dissolved.

With the growing pressure in the 1990s to find ways to reduce the costs of education and increase the equity of funding, a new series of statewide reports have analyzed the problems and costs associated with the relatively high number of small districts in this State. Most of these studies (see section X-B) have suggested that regionalization of school districts must be considered, reviewed, or encouraged, but have also rejected mandatory measures in favor of voluntary regionalization. Even advocacy groups like the New Jersey Education Association and the New Jersey Association of School Business Officials, which have memberships potentially adversely impacted by regionalization, have agreed that regionalization has merit, but they have insisted that it remain voluntary. Some of the reports suggest sharing services as an option, recognizing that this is a substitute for the more difficult decisions involved in sharing all services through consolidation of districts.

The Quality Education Commission, created by Governor Florio, recommended a public school system which consolidated small districts into K-12 systems with the number of school districts declining to 250. This Commission's report in 1991 estimated an approximate saving of $150 million, including $50 million annually in central administrative operating costs and another $100 million in new construction costs and building and maintenance expenses. The DOE's 1992 **Voluntary Regionalization Proposal** outlined potential changes in the method of tax apportionment and recommended a per pupil categorical aid for new regional districts. Within the last several months, two statewide reports have been released that offer new approaches for discussion.

In July 1995, the Center for Government Services at Rutgers University released a report by Ernest Reock, **A Plan for School District Consolidation in New Jersey** (see section X-B2 and section X-I). This study presents a plan for school district consolidation based on converting all limited-purpose regional high school districts into K-12 districts through absorbing all affiliated elementary districts, both constituent and sending districts, and creating new regionals with present sending/receiving affiliations. If fully implemented, Dr. Reock estimates that his consolidation plan could produce an overall cost reduction of $200 million per year. Probably the most significant feature of this plan would be the reduction of the disparities among school districts in the amount of locally taxable property per pupil, and the elimination of a substantial number of very small school districts that tax property only minimally for support of public education.

A second report in December, 1995, **Finding Opportunities for Improvement: Ideas on Regionalization and Shared Services** (see section X-B4), prepared by the Commission on Business Efficiency of the Public Schools, sought to promote regionalization of school districts by raising public awareness, providing information, and identifying successful strategies. The Commission identified three major obstacles to regionalization: the structure of state aid, tax levies, and the quality of information available about regionalization. The report called for identification of districts which should be regionalized, funding incentives, and use of site-based management to improve effective involvement of communities in local education.

Number of School Districts in New Jersey

Year	Operating	Non-Operating	Total
1975	590	19	609
1985	592	24	616
1987	592	26	618
1989	590	26	616
1990	592	27	619
1992	595	25	620
1993	595	26	621
1994	594	26	620

Source: Vital Educational Statistics, New Jersey
Dept. of Education, various years.
Note: These statistics include all districts, including
vocational, special services, and educational commissions.

New Jersey has failed, however, to implement recommendations from these and other studies which would promote expanded regionalization. Despite the many research reports and commission recommendations favoring regionalization, opponents have questioned the extent or permanence of any cost savings; contended that larger districts reduce personal attention to student needs, thus reducing the quality of education; and objected to the loss of local control. For the most part, as shown in the following table, they have succeeded in preventing any significant movement toward district consolidation.

Dependence on Property Tax

Closely tied historically to the large number of school districts is New Jersey's disproportionate dependence on the property tax to fund education. In the colonial and early federal period, property was a fair measure of wealth and so a reasonable basis for taxation. States which developed later, such as those in the West, emphasized the role of state government, creating tax systems based upon the ability to pay. New Jersey was late in adopting both sales and personal income taxation hesitating to follow the lead of other states in designing tax systems more reflective of wealth and financial capacity. New Jersey annually ranks among the leading states in property taxes per capita and property taxes as a percentage of aggregate state personal income.

Property Tax Revenues Ranked as a Percentage of Total State and Local Tax Revenues FY92

1 New Hampshire	64.1%
2 Michigan*	43.7%
3 **New Jersey**	43.3%
4 Wyoming	42.5%
5 Rhode Island	42.1%
US Average	32.1%

* Michigan will no longer rank second in the coming years due to a new income tax structure enacted in May, 1994 to replace the property tax.

Total State and Local Government Property Tax Revenues (Source: US Department of Commerce, Bureau of the Census, FY92)

Per Capita		Per $1000 of income	
1 New Hampshire	$1,349	1 New Hampshire	$62
2 **New Jersey**	$1,273	2 Wyoming	$59
3 Connecticut	$1,197	3 Vermont	$53
4 New York	$1,178	4 New York	$53
5 Alaska	$1,071	5 Alaska	$52
		8 **New Jersey**	$50
US Average	$699	US Average	$37

The distribution of property taxes in this State has often been described as regressive. The State and Local Expenditure and Revenue Policy Commission Report in 1988 reported that the average property tax burden for homeowners with incomes between $20,000 and $30,000 was almost three times greater than the comparable burden for homeowners with incomes between $150,000 and $200,000. Similar patterns were evident among municipalities. Homeowners in property-rich districts pay proportionately less in property tax than do homeowners in property-poor districts. This results in wide variations in the ability of school districts to tax local citizens. The disparities in relative property tax burdens pose major initial barriers to potential consolidation of districts, often precluding further review of possible educational advantages. Consolidation of school districts with different tax rates is inherently difficult unless some incentives or penalties in the form of state aid are available as encouragement. At present, no supplementary state aid has been budgeted for school districts consolidating with neighboring districts. In fact, depending on the state aid entitlement of the school districts involved, there could be a net loss of state aid.

The Ideal Size District

The most effective school district organizational structure and optimal size for supporting the delivery of quality education in a cost-effective manner has been debated on a national level since the early part of this century. Until well into the 1970s, reformers succeeded at dramatically reducing the number of school districts. Since that time, the process of consolidation has slowed considerably and significant conflicts have arisen in the research community concerning school district organization. Early studies tended to find evidence of significant size-related inefficiencies and/or inequities and served as an important basis for the remarkable reduction of schooling units and the increase in their size. Today, some studies still find inefficiencies, but others find that benefits of larger sizes may be more modest in size than previously suggested. According to David Monk and James A Kadamus,[1] research supporting the reorganization of smaller into larger sized school districts suggests that small-scale diseconomies are real and that it costs more to accomplish the same result in a small setting than in a larger setting, all else being equal. However, the earlier the study, the larger is the recommended ideal size. In 1964, a recommended optimal size could be as high as 50,000. In 1993, a study found small-scale diseconomies in New York only in districts up to 500 students[2]. As Monk and Kadamus further observed, "the impact of school district size is an attractive candidate for scrutiny because the research base is extensive and sufficiently inconsistent to permit advocates of sometimes diametrically opposed policies to point with satisfaction at supporting research findings"....But, according to these authors, "there remain many small school districts whose size falls below even today's prevailing minimum size recommendations."

In addition to the controversy over cost efficiency, the question of the quality of education and district size has been an ongoing debate. This is a particularly difficult issue to address in New Jersey because, as the Commission on Business Efficiency of the Public Schools (see report in section X-B4) found, "most of the research does not include districts below 500 pupils or in non-K-12 organizational structures". Herbert J. Walberg and Walter J. Fowler, Jr. completed one of the only studies on New Jersey public school districts for The Heartland Institute in 1988. Average student test scores on state-developed and national achievement tests were shown to be closely associated with the socioeconomic status (SES) of the districts. A significant trend was found for student achievement scores in larger districts (above 3,900) to be on average below those of smaller districts in New Jersey; however, the authors could not tie that conclusively to size. Smaller districts (below 2,600) with low SES levels scored higher on tests than larger districts of the same SES, but the correlation broke down with middle sized districts.

In 1992, the North Central Regional Educational Laboratory and the Center for School Change, part of the Hubert Humphrey Institute of the University of Minnesota, combined forces to prepare a source book entitled **School and District Size, Cost, and Quality**. The expressed purpose was to "bring together research about improving the ways learning, teaching, and schooling are organized, and the ways school and school district size affect such efforts". Prominent researchers representing a variety of views, were commissioned and four seminars

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[1] Monk, David H., & Kadamus, James A. (1995). The Reform of School District Organizational Structure. *Advances in Educational Productivity*, 5,27-47.

[2] Duncombe, W., Miner, J., & Ruggiero, J. (1993). *Scale Economies and Technical Efficiency in New York Public Schools.* Occasional Paper No. 163, Metropolitan Studies Program, Maxwell School of Citizenship and Public Affairs, Syracuse, University.

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were scheduled to allow participants from around the country to interact with the researchers. The source book indicates that there is little or no consensus on the ideal district size in relation to quality education. One of the commissioned researchers, Al Ramirez, Executive Deputy Superintendent of the Illinois State Board of Education, concluded:

> "Considering the size question in isolation is futile. The focus must be on determining the critical path to the best fit between organizational mission and size. Questions of balance are more important than size. Issues about services, programs, and resources, for the target population are significant; institutional size is secondary. Tradeoffs and compromises around size issues are inevitable and part of the process of configuring resources to meet desired outcomes."

Seymour Weiss, an educational consultant and former assistant commissioner in the Department of Education, recently completed a short monograph which was included in the report from the Commission for Efficiency of the Public Schools. His statement summarizes the situation in New Jersey in relation to district structure, size, and education delivery:

> "The strongest argument from an educational quality perspective that can be made in favor of regionalization is the fact that the organizational hodgepodge (referring to the organizational structure cited on page 9 of this report) results in unequal educational experiences and opportunities on a statewide basis. Children who attend unified K-12 districts enjoy the opportunity to be offered not only an integrated and sequential educational experience in the core subjects of language arts, social studies, science and mathematics but are often times more likely to be offered greater access to experiences in the arts, music, home economics, industrial arts, and guidance services as well as a greater range of curricular and co-curricular choices."

Dr. Weiss goes on to explain that sometimes even students attending K-12 school districts in New Jersey may find themselves educationally disadvantaged in relation to other students attending similarly organized districts; in his view this is due to the prevalence of many small K-12 districts which have too few students to maintain adequately comprehensive programs or which provide them at an excessive cost.

School Facilities

Present enrollment levels and projections for continuing increases through the next decade have caused facility needs to reach a crisis stage. The need for extra space is so significant in some school districts that staggering of class schedules has become common. With taxpayers resisting new expenditures, growing districts are at a particular disadvantage. New programs such as all-day kindergarten are difficult to establish because of space requirements. Bond issues to fund new construction or to provide additions or renovations to existing buildings are frequently defeated by voters. Sometimes voter approval for funding of building projects reflects dissatisfaction with the district's structural arrangements with neighboring districts. The location of a building in a regional high school district can be a bigger hurdle than funding the project. Despite the dire needs in some school districts, a neighboring district may have a declining enrollment with extra classroom space or a closed school building.

In 1992, the New Jersey State Planning Commission completed an assessment of public education infrastructure needs for the **New Jersey State Development and Redevelopment Plan** (see section X-B4). This report estimated facility needs of over $16.4 billion, including $13 billion for backlog and rehabilitation. Projects resulting from new growth range from $2 to $5 billion depending on the means of assessment. With a new regional planning approach to providing services, the Commission concluded that some of those costs would be eliminated, estimating a potential $380 million per year savings in operating costs for school districts and municipalities.

School Facility Costs

			Total Costs
1	Office of State Planning Trend Assessment	$	16,410,000,000
2	Center for Urban Policy Research, Rutgers University Trend Assessment	$	5,296,000,000
3	Preliminary State Plan Trend Assessment	$	3,900,000,000
4	Center for Urban Policy Research, Rutgers University State Plan Assessment	$	5,123,000,000
5	NJ Dept. of Education, Division of Finance	$	6,000,000,000

Sources: #1 through #4, **Assessment of Infrastructure Needs to 2010**, NJ State Development and Redevelopment Plan, State Planning Commission, June, 1992. #5, **Six Steps for Better Schools**, December, 1992.

Explanation: #1 includes over $13 billions of rehabilitation costs
#2, 3, and 4 are cost estimates for new growth only
#5 Self-evaluation lists of projects districts plan to undertake between 1990 and 1995, includes $2.8 billion in deferred maintenance.

There are signs that the Whitman Administration supports a regional approach to New Jersey's delivery of public services, including education. In a recent letter to all cabinet officers concerning the **New Jersey State Development and Redevelopment Plan**, Governor Whitman states:

> "The State Plan provides guidance for stewardship of the state's natural resources, revitalization of our urban areas, provision of affordable housing and public services, and promotion of beneficial economic growth, development, and renewal. I strongly support the State Plan because it is an important mechanism for furthering this Administration's goals of cooperative planning, coordination of state infrastructure investments, wise land use governance, and regulatory streamlining."

To ensure implementation, the Governor requested that **all departments** submit a report by January, 1996 describing their initiatives in incorporating State Plan policies into their planning, decision-making, and resource allocation.

Recent Influence of the State Legislature

The 1996-97 legislative session has begun with a renewed interest in the regionalization process. Companion bills S386, introduced by Senate President Donald T. DiFrancesco, and A680, introduced by Assemblyman Richard H. Bagger, would establish an incentive fund for regionalization and shared administrative services. The fund would be credited annually with the total amount of excess administrative spending penalty funds which were deducted from the school district state aid (see description of "School Efficiency Act" on page 17 of this report). The money, in the form of grants, would be available to finance the costs of district feasibility studies, facilities modification, program expansion, transportation expansion, and modifications to collective bargaining agreements. Loan funding provided for in the bill would be available to provide low interest loans to school districts for the renovation, repair, alteration, or construction of school buildings necessary to support regionalization. The incentive fund would also be used to provide incentive State aid payments to school districts that regionalize after the bill's effective date. The aid would be $200 per pupil and would decline annually by 10% for 10 years.

The most significant problem is the amount of money that would be available for this incentive fund. At present, the penalty funds, imposed through the "School Efficiency Act", total slightly over $6 million, but are expected to decline as districts reduce administrative expenditures. The bill provides a note of caution which could significantly deter districts from accepting the challenge of regionalization. "If the amount of money available to fund State regionalization incentive aid is not sufficient to provide aid in the amount of $200 per pupil, the commissioner may adjust the aid in accordance with available funding." (Section 7b of S386)

Perhaps the most potentially far reaching legislation affecting regionalization passed in recent sessions has been Chapter 255 of the Laws of 1993, often called the "Bagger bill". This legislation states that the board of education of any constituent district of a limited-purpose regional school district or the governing body of the municipality constituting a constituent district that wishes to withdraw from that district must, by resolution, apply to the county superintendent of schools to make an investigation as to the advisability of such withdrawal. A majority of the boards of education of the constituent districts and a majority of the governing bodies of the municipalities which constitute the constituent districts may also make such a request. The county superintendent can require the constituent municipalities and school districts and the regional district to submit a feasibility study in order to determine the educational and financial impact of the withdrawal. The law establishes a State Board of Review which cannot allow dissolution or withdrawal if:

1. An excessive debt burden will be imposed upon the remaining districts, or the withdrawing district, or upon any of the constituent districts in the event of a dissolution;
2. An efficient school system cannot be maintained in the remaining districts or the withdrawing district, or in any of the constituent districts in the event of a dissolution, without excessive costs;
3. Insufficient pupils will be left in the remaining districts or in any of the constituent districts in the event of a dissolution, to maintain a properly graded school system; or
4. For any other reason, which it may deem to be sufficient.

This legislation was applied for the first time in November, 1995 when the State Board of Review gave permission to the constituent districts of the Union County Regional High School District to seek permission from the voters to dissolve. This ruling set a precedent for New Jersey and other districts are carefully watching the outcome.

Other recent legislation affecting school district regionalization has been the enactment of an option for the apportionment of appropriations as passed in March, 1993 (Chapter 67, Laws of 1993, N.J.S.A.18A:13-23). This change allows the county board of taxation to appropriate certified amounts among the constituent districts either upon the basis of:

a. the portion of each municipality's equalized valuation allocated to the regional district;

b. the proportional number of pupils enrolled from each municipality on the 15th day of October of the pre-budget year in the same manner as would apply if each municipality comprised separate constituent school districts; or

c. any combination of apportionment based upon equalized valuations pursuant to (a.) above or enrollment pursuant to (b.) above.

This legislation offers potential for some flexibility in the determination of tax rates for the constituent districts of a regional district. The legislation also contains a provision for a 5-year phase out of foundation aid equal to the difference between the foundation aid entitlement for a regional district and the foundation aid entitlement of the constituent districts for the year preceding regionalization. Any excess aid and the start-up costs incurred in the creation of the regional district would be excluded from the spending cap. Also included in this legislation was the $90,000 appropriation for local district studies reviewed in Section X-C1.

Although Chapter 67 was an attempt on the part of Governor Florio and the legislature to promote school district regionalization, only two groups of districts have consolidated since enactment of the law. There is some evidence, however, according to the local reports reviewed for this study, that the new flexibility provided in determining tax rates could be helpful.

In contrast, enactment of Chapter 8 of the Laws of 1995 appears to be counterproductive to promoting regionalization. This new legislation provides that each sending district will be entitled to a seat on the receiving district's board according to the percentage of its pupils attending the receiving district's schools. The formula is as follows:

- Less than 10 percent - no representation;
- 10 percent or more - one member; and
- two or more sending districts that collectively have at least 15 percent shall have two members.

Other provisions include limiting the board size to no more than 1 to 3 additional members depending on the size of the receiving board, and restricting subjects of voting major decisions such as tuition levels, capital construction, and curriculum changes. Allowing sending districts to have the benefit of representation on a school board and in decisionmaking, without committing to full participation in the district through use of equalized valuation for property tax determination, could be considered a step backward for the process of regionalization. If the legislature and the governor are committed to encouraging districts to consolidate with neighboring districts, offering sending districts additional decisionmaking authority in districts which they do not fully support financially is questionable.

Chapter 236 of the Laws of 1995, the "School Efficiency Act", establishes a program to penalize excessive administrative expenditures and to reward administrative efficiency in the public schools. The loss of state aid incurred by school districts for excess administrative costs is a first for New Jersey. The penalty applies to districts which exceed 129 percent of the median administrative spending. The percentage will decline in subsequent years. The state aid for the district will be reduced by the dollar amount of the excess not to exceed 10 percent of district administrative spending. By far the majority of the districts penalized for both the 1995-96 school year and the 1996-97 school year are small K-8 districts. Only 11percent of the penalized districts are all-purpose K-12 districts. Unlike the Chapter 8 legislation mentioned above, this law could be interpreted as an attempt to encourage small districts to consolidate with their neighbors.

Chapter 294 of the Laws of 1995, signed into law by Governor Whitman on December 22, 1995 after previously being conditionally vetoed, protects the seniority and tenure rights of employees of districts which regionalize. The governor had sought to clarify the rights of non-tenured teachers and to remove sending/receiving relationships from the bill.

The status report of bills introduced during the 1996-97 session is included in Section X-F. A bill, S1063, sponsored by Senator John H. Ewing has been prepared for Senate introduction which recommends the establishment of an educational facilities loan and grant program which would make funds available for school district construction projects. The amount of approved financial assistance would be apportioned 90% as a grant and 10% as a loan for special needs districts, 60% as a grant and 40% as a loan for consolidated districts, and 25% as a grant and 75% as a loan for any other districts.

The Influence of the Department of Education

The Department of Education has not followed a consistent pattern of supporting consolidation of school districts in New Jersey and has not established a basic working policy able to withstand the frequent changes in administration in the last several years. While the Department has expressed its conceptual endorsement of further district consolidation, its operating practices fail to illustrate a commitment to expedite mergers of existing districts. There has been no evident follow-up on grants distributed to local districts for regionalization studies. Printed guidelines are not up to date with legislative changes that have been enacted and little, if any, support is available to districts requesting assistance. During the course of this study, one of the most frequent complaints from local districts considering regionalization was the absence of any contact within the DOE able to answer questions on consolidation.

Commissioner Leo Klagholz has been a strong advocate of the Whitman Administration's policy of reducing wasteful spending at the State as well as the local level. In early 1994, under Dr. Klagholz's direction, the DOE proposed penalties for excessive non-instructional costs and offered extra state aid for districts with K-12 structures. This proposal generated substantial controversy and was withdrawn, but elements of it were incorporated in the School Efficiency Act (see page 17) enacted in 1995. Commissioner Klagholz also initiated a study on shared services (see section X-B4) shortly after his appointment. Although these efforts reflect his interest in encouraging local district consolidation, the Department's **Comprehensive Plan for Educational Improvement and Financing** and the **Strategic Plan**, both under review at present, do not propose any further policy changes involving consolidation of districts. The **Strategic Plan** suggests that the DOE will "promote" regionalization, but does not identify any new strategy.

There is considerable evidence that the process of regionalization of New Jersey school districts is simply not a priority for the Department. In 1993, $90,000 in grants were awarded to 19 lead school districts (58 total districts), but the Department failed to monitor completion of the reports and collect the final copies for review. In September, 1995, only one report was available in departmental offices. PARI was able to collect all but one of the completed reports (see section X-C1) for this summary study by contacting the individual districts.

The Department of Education continues to provide a 1992 report, **Voluntary Regionalization Proposal** (see section X-B4), upon a request, as representing its current position on regionalization of school districts. This is a detailed report with proposals for legislation suggested by the previous administration that has had limited influence on legislative change and, at present, is somewhat outdated due to the changes that have been made. One of the most noteworthy suggestions was to relax the obstacles to withdrawing from a regional district and requiring a vote in the withdrawing district only. The proposal for categorical aid for new regional districts has not been included in the **Comprehensive Plan for Financing Education**, so it could be assumed that the document no longer represents this administration's policy. The DOE, in this 1992 proposal, had recommended that all new regional districts receive at least the same level of aid generated by all constituent districts in the year prior to regionalization.

In October, 1993, the DOE issued a revised set of **Advisory Administrative Procedures for the Formation of Regional School Districts**, prepared by the then Division of Urban and Field Services. (see excerpt in Section X-H) This white paper, which continues as the official DOE regionalization guidelines, also contains questions and answers designed to familiarize the reader with the format for regionalization feasibility studies, and guidelines for the desegregation of public schools. But surprisingly, the withdrawal procedures which were the basis for the decision in November, 1995 to allow the constituent districts of the Union County Regional School

District to place a proposal before the voters to break up the regional district are not even mentioned. Before 1992, the State had actively discouraged any form of withdrawal, but this unrealistic approach has served to lock some districts into arrangements which need to be severed in order to form other affiliations of a better structural design, both educationally and fiscally. Since this publication serves as the working document for local district regionalization, the process of withdrawal from a constituent district or a sending/receiving relationship should be clearly articulated.

If the legislation recently introduced by Senator DiFrancesco and Assemblyman Bagger is enacted, the DOE would need additional staff to deal with the implementation of the regionalization incentive fund. At present, the county offices, under the Division of Field Services, are directly responsible for providing regionalization assistance, but they are ill-equipped to help local administrators and school boards. Interviews during the course of this study with some county superintendents and/or business administrators, revealed little involvement in regionalization issues unless an appeal was pending. The Gloucester and Union County offices were extremely knowledgeable and helpful, but they were the exception. Many county administrators are relatively new to the job and are unaware of the historical background affecting interdistrict relationships in their county. Since the State Department of Education lacks a basic working policy, the county offices operate without a solid foundation when it comes to issues involving consolidation of school districts.

Racial Balance in New Jersey School Districts

New Jersey has the fourth most segregated system of public education in the nation. More than half the state's black students attend schools with enrollments of 90% or more minority students. Schools in the larger urban areas are virtually all black or Hispanic, while schools in the suburbs are predominantly white. State and federal laws require New Jersey to ensure that its public schools are racially balanced, but enforcing the law is an issue only when the status quo is questioned, for example, if a district files a request to withdraw from a sending/receiving relationship. The Garden State's highly selective approach to enforcing the law is one of the principal reasons racial imbalances persist.

A decade ago, Englewood Cliffs petitioned the New Jersey Department of Education to withdraw from its sending relationship with the Dwight Morrow High School in Englewood. The Department of Education rejected the request provoking a protracted series of appeals to multiple levels of executive and judicial branches of government which are still pending final resolution. Englewood Cliffs is not totally unique in wanting to change a sending/receiving relationship that involves issues of racial balance; Merchantville (Camden County) has tried to pull out of a relationship with Pennsauken and send their high school students to Haddonfield instead. This case now rests at the State Board level. Close to seven years has passed since Merchantville requested severance of its affiliation with Pennsauken.

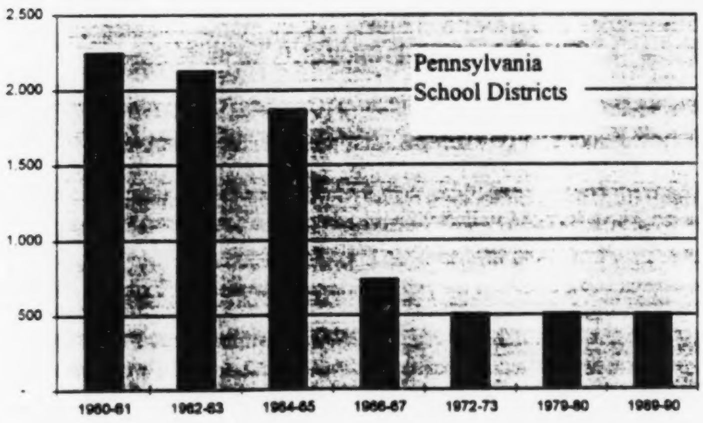
Although the racial balance in the State's public schools deserves serious attention, most discussions concerning regionalization of school districts do not revolve around this issue. Equalized tax rates, facility needs, and improved delivery of services are the major issues discussed in relation to school district regionalization, not racial balance. Minority students in New Jersey are isolated in the larger urban districts. Reducing the number of school districts in this State usually involves discussing regionalization of the smaller suburban and rural districts. In the local district regionalization studies reviewed for this study, racial balance never was mentioned as a serious obstacle. The large number of school districts in New Jersey and the segregation of minority students in the urban districts have almost become two separate issues. And, if one reviews the latest Reock report (see section X-B2) which presents a statewide plan to consolidate districts that are already affiliated with each other through regional limited purpose districts or a sending/receiving relationship, the issue of racial balance would be a problem in only a small percentage of the proposed mergers. An independent analysis conducted during this project of the district patterns outlined in Dr. Reock's report found only minor variations in the minority populations in most of the affiliated districts. Less than 25% of the affiliated districts exhibit a pattern of minority makeup greater than a 20% difference between any of the districts. Reviewing socio-economic disparities, using DFG's developed by the Department of Education, results in a similar pattern. The only way the problems of segregation of minority students could be solved through regionalization is by consolidating suburban and urban districts, possibly with countywide districts, such as Maryland, Virginia, or Florida. The recently released report from the Commission on Business Efficiency of the Public Schools (see section X-B4) suggested a feasibility study to evaluate such a scenario.

Patterns in Other States

While New Jersey has continued to operate over 600 school districts, other states have seen dramatic changes in the last half century. The experience of other neighboring states was reviewed to determine the processes used to accomplish regionalization. The most notable recent example is Pennsylvania which enacted three major consolidation laws in the 1960s. New York demonstrated the greatest decline in the early part of this century, going from 10,000 school districts at the turn of the century to 4000 by 1949 and then to 760 by 1970. Today there are slightly more than 700 districts in New York, but the State Board of Regents is still concerned over what it considers excessive numbers of districts and has commissioned further study of the districts with a non-K-12 structure. New York has an ongoing program to encourage school district reorganization with a financial incentive program which should be evaluated by New Jersey policymakers.

Since the regionalization of school districts occurred so long ago in most states, this project attemptsto identify states that were still going through the procedure. A statistical survey of recent changes in the number of school districts, 1985 to 1995, revealed that Illinois, Maine, Nebraska, and North Dakota have experienced the most notable changes during this recent period. Of the states reviewed, the experiences of Illinois have perhaps the most relevance to that of New Jersey. Illinois recorded the most activity in recent years, a direct response to legislation passed for the express purpose of encouraging reorganization of school districts. In many ways, the example Illinois has set could provide some guidelines for New Jersey to follow. Unfortunately, most of the recent consolidation programs in the other ~~three~~ states have limited relevance to New Jersey since they were caused by the loss of population and resulting declines in school enrollments in small, largely rural communities. Maine recorded a 9% increase in the number of districts between 1988 and 1990. An inquiry into the cause of the increase in Maine, revealed that some towns have been withdrawing from regional types of districts and looking to technology instead of transporting students over long distances. This is a recent approach being used by small, rural districts; oversight for these districts becomes the responsibility of the State. Although the situations in North Dakota and Nebraska are not closely related to the Garden State, a short review of each state's progress toward regionalization is included for general interest.

Pennsylvania



The Reorganization Act of 1963 required County Boards of School Directors to file county reorganization plans by July 1, 1966 in order to benefit from the dollar incentives attached to the initial Act. In 1965, the Act was refined with new incentives. Also in that year, the State Supreme Court unanimously held the original act to be constitutional. Mandatory reorganization requirements were passed in 1968, giving the State Board the authority to enforce the law. The process in Pennsylvania was voluntary only in the initial stage of county reorganization. The table above shows the changes in the number of local school districts resulting from the legislated provisions.

New York

The Empire State combines a tradition of vesting considerable organizational autonomy in its districts with steady efforts at the state level to encourage reorganization. New York has been providing incentive payments to districts since 1925. In recent years, this encouragement has taken the form of increasingly generous fiscal incentives. Wealth-equalized formula operating aid to school districts is increased by 40% per pupil with reorganization. Any building aid that the district receives is increased by 30%. The combination of these two aid incentives to local districts has resulted in the State of New York paying out an average of $14 million per year since 1983. Although the pace of new reorganization in New York has been slow, averaging two to three mergers per year, the aid system has been highly beneficial to small poor districts that receive an average of $1000 extra per pupil in formula aid plus building aid under the present system. (see Appendix X-E). Despite the progress, officials in New York have continued to encourage further work. In January, 1992, the governor raised the issue of school district organization in his annual message to the Legislature. The Board of Regents, in its State Aid Proposal for 1991-92, expressed concern over the unequal distribution of wealth within the State and saw school district reorganization as a viable means of providing "an enlarged resource base" to support needed programs.

Early in 1992, the Board of Regents directed the State Education Department to study the possibilities of district reorganization and the sharing of services. A special task force was appointed and the final report completed in November, 1992. The report urged the commissioner to take a strong pro-reorganization stance, even to the point of recommending that the authority of the commissioner be expanded to include the power to mandate the reorganization of districts. The report discussed alternatives to conventional reorganization and recommended that the State make broad policy changes permitting a wider variety of organizational structures than is permissible under current law.

In 1993, the Department of Education began Phase I of a review of all school districts within the State. Trial indicators for the **Regents' Study of School District Organizational Change** were developed to identify districts with potential for reorganization. The lack of K-12 continuity, significant reductions in enrollment, high levels of overhead expenses, and high tax effort combined with low wealth were some of the indicators used. At that time, 139 districts within the State were selected and placed on a publicly released list of districts for participation. According to Dr. David Monk, Professor and Chairman of the Department of Education at Cornell University, the indicators used are believed to reveal instances of cost-effectiveness problems that lend themselves to organization solutions. For example, districts with large enrollment declines may face difficulties as they seek to make full use of their facilities and staff. Districts with high non-instructional expenses may have difficulties maintaining their instructional offerings. Districts with low wealth and high tax rates may be disadvantaged by the high degree of fiscal stress that the indicator suggests is present. And the non-K-12 organizational form may create difficulties both for students because of the transition they must make between districts as they complete their schooling and for taxpayers because of their separation from the governance affairs of the districts operating the secondary school program.

After a verification analysis and the agreement of 13 districts to conduct a self-study of organizational alternatives with partners, Phase I of the study began with 68 districts. The primary purpose of this phase was to learn more about the capacity of the indicators to reveal the presence of cost-effectiveness difficulties, but was not intended to examine remedies. Non-K-12 districts were handled separately and the results revealed no evidence of systematic differences in pupil performance but considerable variation in the degree to which parents expressed satisfaction with the governance form. The time of the transition for students to the receiving district was determined to be of critical significance to student adjustment. Districts that had experienced high levels of enrollment decline tended to make less efficient use of their facilities, employ teachers with relatively high levels of experience, and hire relatively large numbers of administrators. Other findings set the stage for Phase II of the study which is now underway with a final report scheduled for June, 1996. According to Professor Monk:

> "New York is making significant progress in a historically difficult and controversial area of public policy. It is encouraging to sense that there is some growing momentum within the State toward the implementation of promising new and carefully researched organizational forms. It will be important to take full advantage of this momentum and to follow the **Organizational Change Study** process through to its logical conclusion."

Illinois

There has been substantial progress in reorganization of Illinois school districts since the early 1980s. In FY80 there were 1,011 districts. By FY95, there were 98 fewer or 913, a reduction of 9.7%. The average annual decline in the total number of school districts in the state accelerated from one in the early 1980s, to four in the middle 1980s, to about nine in both the late 1980s and so far in the 1990s.

The major motivation for mergers was the authorization by the General Assembly in 1983 of three supplementary state aid payments to newly-consolidated districts. In 1985, the State enacted the School District Reorganization Act. Widespread opposition to the Act's planning requirements, its target of 500 as a minimum high school enrollment and its preference for K-12 districts caused major political problems for many State leaders. Major changes to soften the requirements were made to the Act in 1986. However, the program of payments has been extended over the years to include other types of reorganizations. Although commonly called "incentive" payments, these payments were in fact designed to encourage mergers by eliminating the fiscal disincentives that had inhibited mergers. Two payments are made annually for three years. They are for:

- Any loss in general state aid resulting from a merger; and
- The difference in teacher salaries among the emerged district.

A one-time payment is made to cover fund balance deficits incurred by the districts prior to reorganization. A fourth "incentive" program authorized in 1989 simply provides additional funds, $4,000 for each certified staff member who is employed by a reorganized district on a full-time basis for the regular term for the one, two, or three years after reorganization. Also permitted in 1990 was the payment to the annexing districts of the deficit difference and general state aid difference in supplementary state aid in cases when a district or districts are split and dissolved. Illinois paid $17.7 million in FY1994 and $14.8 million in FY1995 as incentive payments to school districts for reorganization. A total of $74.5 million has been paid out since 1986. Besides financial incentives, the Illinois General Assembly has relaxed some of the requirements such as voter referenda. This allows financially troubled districts to move more quickly with a merger than if they went through a formal consolidation process.

Despite the progress that Illinois had made in the last decade, the perception still exists, according to a report entitled **Reassessment and Status of School District Reorganization in Illinois: 1994,** that schools and school districts are not as educationally effective or financially efficient as they could be because of the way they are organized. Critics of school organization point to three notable characteristics of Illinois school districts:

- There are still an excessive number of school districts, 922 regular operating districts.
- The dual system persists; 414 districts are K-12, but there still are 400 elementary districts and 108 high school districts.
- Over 23% of Illinois high schools had enrollments of 200 or fewer.

Financial problems stemming at least in part from low enrollment are the main reason for the dissolution/annexation of elementary districts. Districts with questionable financial stability are placed on a "watch list", if problems continue they become a "certified district" and then the district must have a plan to maintain solvency. The plan must also include a contingency plan in the event that financial problems remain unsolved or intensify. This contingency plan usually involves annexation by a neighboring district. **If a district votes to dissolve and consolidate with a neighboring district, the neighbor must accept the dissolved district.** This plan has been upheld in the Illinois State Courts. The Illinois State Board of Education is committed to continuing the reorganization efforts due to increasing evidence that the process will enhance learning by increasing the breadth and depth of the high school curriculums and the financial stability of elementary districts.

Iowa

In the last decade, Iowa has lost 54 school districts through mergers. Iowa's wave of mergers began when the state initiated a plan to offer cash bonuses to districts that shared superintendents and swapped whole grades of students. Designed to improve student services in rural areas, the plan has been particularly attractive to small districts. The number of school districts with less than 500 students has dropped from 186 to 78 since 1984. The approximately $3,600 per pupil bonuses for grade swapping and additional bonuses for superintendent sharing were extended if the districts voted to merge within five years. The result has been a decline in total number of school districts from 438 in 1984 to 384 in the 1995-96 school year.

Typically property-tax rates have ended up slightly below the average of the districts that merged. Iowa officials involved in the reorganization express pride in the educational advantages resulting from the mergers. In most cases, the amount of money spent on education has not been less but the dollars have been put to better use because school districts have trimmed bureaucracies and improved the educational delivery through facility upgrades.

Nebraska

In 1968, Nebraska had more school districts than any other state. The federal **Great Plains Study** focused on the need for consolidation of the Nebraska districts into a more comprehensive K-12 school structure with the stated purpose of improving fiscal stability and increasing instructional achievement. In 1985, the Nebraska Legislature enacted legislation which provided for the mandatory consolidation of the state's schools and an increase in the level of state funding for the operation of these consolidated schools. Opposition to this mandatory consolidation led to citizen-initiated Referendum Proposition 400 in 1986. The mandatory consolidation law was repealed by the voters.

By 1990, the Legislature had dramatically changed the way Nebraska schools were financed through a foundation state aid package centered on an equalization aid distribution formula. Because many of the state's small rural districts are considered property wealthy by this aid formula, it has been interpreted by some to be a deterrent to school reorganization. But, the state also passed an "affiliation" requirement in 1990, requiring elementary schools to be a part of a K-12 school system. Separate schools can be maintained by the elementary district but fiscal requirements for operation must be included in the K-12 system. According to a Nebraska Department of Education spokesperson, the economic conditions of the farming communities in Nebraska have been changing rapidly and many districts have simply lost all or most of their students. This phenomenon has probably contributed to the decline in the number of districts as much as legislation.

North Dakota

In contrast to Illinois and Nebraska, North Dakota has not succeeded in developing a state policy to promote consolidation of school districts. In general, State education officials have encouraged the process, but without much success. According to a State spokesperson, the present decline in the number of school districts is a direct result of United States farm policy which has resulted in declining aid to the State's farms. Changes in family size over the last two decades also have been a significant factor in the operation of school districts. North Dakota now has 70 high school districts with less than 75 students. As districts find it more and more difficult to operate with such reduced enrollments, consolidation becomes the only remaining option. North Dakota has lost about 70 school districts since the late 1980s.

Discussion

Proposed legislation in the opening days of the 1995-96 session reflects the renewed interest in regionalization of New Jersey's many small school districts. Increasing enrollments, facilities needs, taxpayer revolts, pressure for administrative efficiency, and reduced state aid have all contributed to a search for ways to cut education spending. New statewide reports and district feasibility studies in the last few years have opened new avenues for discussion to increase education cost efficiency and to improve the quality of education. But, currently pending legislative and administrative proposals concerning regionalizing school districts appear unlikely to provide the framework and financial incentives to generate significant consolidation. Despite all the good reasons expressed for doing so, New Jersey has rarely succeeded in consolidating districts into a K-12 organizational structure.

The State of New Jersey has not made a serious policy commitment to consolidating school districts. The new proposal in the form of bills S386 and A680 which provide for the establishment of an incentive fund could represent a conceptual endorsement of the regionalization process, but appear to lack sufficient levels of incentives or penalties to produce significant regionalization. The proposed $6 million would allow only a few districts to accomplish consolidation. Since this incentive fund would continue to support districts for up to ten years, the number of new consolidations which could be funded would be less each year. States, such as Illinois and New York, have been able to experience slow, steady progress with two to three times the amount of funds proposed by the New Jersey Legislature. And, there is no guarantee that the funding will be available in the following years. The incentives combined with the uncertainty of funding will probably not be sufficient to influence a significant number of districts to consolidate.

The development of a stronger package of incentives for districts could be funded by current dollars available to support public education. The most significant potential savings is the funding of pupil transportation. The recent report by Deloitte and Touche (see section X-B3) graphically demonstrates the problems with supporting transportation systems for 600 school districts. If the State of New Jersey legislated regionalized transportation systems, the savings accrued could be at least $50 million per year, enough to fund a substantial incentive package for school district consolidation.

A review of the local district reports (see section X-C) accompanied by interviews with some district administrative personnel provided a clearer picture of the regionalization process and the associated problems. The concerns from the local district level reinforce the need to address long-standing issues involving property tax levels, the state aid formula, and local control; but equally as significant, will the the need to relax legislative requirements, and improve public information about the cost and serious limitations inherent to providing quality education under the present structural environment in New Jersey. The looming crisis in facility needs as described by many district personnel reinforced the need for more information and a dialogue on the State level to discuss regional requirements.

Procedural Problems in Regionalizing

The current procedure that New Jersey school districts must follow in order to consolidate public education delivery with one or more neighboring districts is long, arduous, and expensive; for small poor districts, it is nearly impossible. Even for districts seriously contemplating consolidation, the process is rarely successful. Any superintendent and school board that has gone through the process would most likely agree that maintaining the status quo, no matter how expensive and inefficient, is easier. Besides the minimum amount allocated for study grants in 1993, the State, at present, provides no financial and little procedural assistance to districts seeking to consolidate. If a district needs to sever other relationships before proceeding, the difficulties are compounded. The School Efficiency Act of 1995 may be an incentive for some districts to consider regionalization, but it penalizes small poor districts who might be willing to consolidate but have no neighbors willing to accept them. Some of there small districts will continue to be penalized for administrative costs year after year because even two administrative salaries, a superintendent/principal and a business administrator, causes the percentage of administrative expenses to be significantly above the state average. These are exactly the districts that should consolidate but without State intervention they cannot.

Lag in State Response Time

Establishing new affiliations between school districts or severing present relationships needs to be a straightforward process which can be completed within a reasonable time frame. Some consolidation proposals remain unresolved after three to four years because the State government does not respond in a timely fashion. If complications arise, as they frequently do in withdrawal proposals, the process could stretch to a decade or more. The experiences of selected school districts provide the best illustration.

In 1988, Independence, Liberty, Allamuchy, and Hackettstown (Warren County) considered forming a K-12 all-purpose regional district (see section X-C2). In August 1991, the Boards of Education from each of the four districts jointly submitted a formal report to the Department of Education and requested permission to submit the question to the voters of each district. In 1992, after waiting six months, the Superintendent of Independence, Michael Doney, sent a letter to Governor Florio (see a copy of the letter in Appendix X-G) complaining about the delay in the response from the Department. School construction plans had been on hold. By the time the question finally came before the voters in 1993, a majority of voters in Allamuchy and Hackettstown rejected the proposal. According to some local officials, the initial momentum appeared lost due to the time lag. In 1994, six years after the initial attempt to regionalize the four districts into a K-12 district, only Independence and Liberty consolidated to become a K-8 limited-purpose regional district under the name of the Great Meadows Regional.

Other examples of protracted State review of local regionalization proposals include Phillipsburg (K-12) and surrounding (K-8) Warren County districts, Alpha, Bloomsbury, Greenwich, Lopatcong, and Pohatcong, (see section X-C2). These districts submitted formal regionalization plans for an all-purpose K-12 regional district to the Department of Education in 1992. By 1993, the smaller sending districts had lost interest in an all-purpose district and resubmitted their plans for a 6-12 limited-purpose regional district. The negative response to a limited-purpose 6-12 district was not delivered by the DOE until 1995. When the response was received, the Department failed to provide a definitive answer concerning Phillipsburg's "special needs" status if consolidation with neighboring districts took place. The Logan Township Superintendent (Gloucester County) has been complaining to legislators about the delay in response from the DOE. The Logan Township Board of Education (see section X-C2) wants to become a constituent member of the Kingsway Regional district (7-12). The need for new facilities to house increasing enrollments in both Logan and Kingsway makes it imperative that this issue be addressed in a reasonably short time frame. Logan is also awaiting a hearing before the Office of Administrative Law on its withdrawal request from Paulsboro. Ocean City (Cape May County) can no longer house all the sending districts' high school students without adding to their present facilities (see section X-C3). The residents have already turned down a bond issue because many feel the largest and fastest growing of the sending districts, Upper Township, should provide for their own students. Upper Township could probably do so, but permission must be granted by the Commissioner to sever the sending relationship; then a high school would have to be built. The response time is critical to the facilities planning process.

Expense

Compliance by local districts with regionalization guidelines outlined by the DOE is expensive. Most districts, especially the smaller ones, do not have the personnel or the expertise to complete the process. Formal feasibility studies are usually conducted by outside consultants with total costs well above the approximately $2,000 the DOE granted to 58 districts in 1993. Depending on the size and number of districts involved, studies ranging in cost from $15,000 to $20,000 are not unusual.

There are a significant number of small districts in New Jersey that are experiencing financial problems. Bradley Beach and Jamesburg, districts reviewed by the Treasury's Local Government Review Team (see section X-C4), are just two examples. These types of districts find it difficult to budget for ordinary operating expenses and cannot afford complex feasibility studies with neighboring districts, as well as potential legal fees, start-up costs, teacher salary guide readjustment, assumption of a share of capital investments, and design of new curriculum. Even if a district could finance a study, small poor districts are not attractive candidates for neighboring, wealthier districts. Without stronger financial incentives, the current process of voluntary consolidation is unlikely to see significant numbers of small poor districts absorbed into larger districts. Illinois (see section VII) has faced the same problems and has mandated and financially aided the absorption of certain small, financially troubled districts by more affluent districts.

The Withdrawal Dilemma

New Jersey has one of the most complex mix of school district types and arrangements with constituent and sending/receiving relationships. Given the complexity, present legislation and guidelines have not offered solutions. As in the case of the Logan/Kingsway proposal described above, a sending relationship with Paulsboro must be severed before the new arrangement can be settled. Another example of the complexity of arrangements in New Jersey school districts is the HiNella (Camden County) sending relationship with Oaklyn for grades K-9 and Collingswood for 10-12. Sterling Regional High School is actually located within the boundaries of HiNella, but residents of this small Borough do not send their children to Sterling (see section X-C2). HiNella students could attend high school at Sterling Regional only if relationships with the two other districts were severed. Bradley Beach (Monmouth County) sends high school students to three different districts.

In order to facilitate regionalization, the withdrawal process will need to be streamlined. The majority of problems associated with severing affiliations involve sending/receiving relationships. Statutory requirements for termination of a sending/receiving relationship require the consent of the Commissioner of Education who must agree that the receiving district will not be seriously affected educationally or financially by the withdrawal. If a district is allowed to withdraw, the receiving district will lose the tuition from the sending district with the potential for financial stress. Change will produce a winner and a loser. But, the ability of a district to withdraw from present arrangements is often a component of plans for consolidation with other neighboring districts.

In November, 1995, the State Board of Review gave permission to the constituent districts of the Union County Regional High School District to present the question of breaking up the regional district to local voters. This groundbreaking decision was based on a recent change in legislation (see section IV). Although such a severance of affiliation appears to be contrary to promoting regionalization, in some cases, the process could lead to the establishment of K-12 all-purpose districts instead of limited-purpose regional districts. Most of the regional high school districts were established decades ago for the purpose of providing a quality secondary education to communities which were not of sufficient size to do so on their own. With careful oversight, some breakup in New Jersey's present system will be necessary in order to establish new K-12 relationships, a goal of DOE as stated in the **Strategic Plan** (see section X-B4).

Educational Concerns

Educational advantages or disadvantages should be the first priority in any decision concerning regionalization of school districts. In New Jersey, the advantages, according to the local districts reviewed in Section X-C, seem to be significant. There appeared to be no evidence in any of the local reports reviewed that the educational program would be weakened by potential consolidation. In fact, in most reports, the consultants or local administrative staff stated that regionalization would offer students access to more courses, better facilities, and/or improved curriculum. As one superintendent said, "Test scores are not going to soar just because two or more districts consolidate, but increased fiscal stability will provide access to more and hopefully better programs; over time, students will be more prepared to enter the workforce."

Local Control

The issue of maintaining some degree of local control and developing a cost-efficient and educationally effective design for regional districts remains the challenge in New Jersey. In some cases, citizens hold tenaciously to their local district even when schools are no longer operated, the students have been attending neighboring district schools for years, and the only vestige of "control" is the continued existence of a school board. Ironically, these small non-operating districts and all other districts in New Jersey that **send** their students actually give up local control. Paying tuition to send students to a district does not afford significant rights in the receiving district's decisionmaking. A new law (see section IV) now allows for limited input from a larger sending district, but even this new representation on the receiving district's school board does not amount to local control.

Tax Rates and Property Values

There is no question that tax rates affect the decisions of voters in pursuing consolidation with a neighboring school district. Obviously, the higher the new tax rate, the more opposition can be expected and the less other factors play a role. The legislation enacted in 1993 allowing two methods of apportionment of appropriations or a combination of the two methods (see section IV) might help some districts design new tax rates for the communities in a regional district but it is not the total solution. Equalized valuations and enrollments change yearly in communities and fluctuations require a periodic reapportionment. As long as New Jersey depends on the property tax as the major source of operating funds for the public school system, solutions will have to be designed to deal with the disparities in resources between districts. At present, the only way to de-emphasize these disparities between communities is by state aid.

While the State is reviewing various formulas to compensate for these disparities and to satisfy court decisions, some districts are able to sit back and just pay tuition for their students. In fact, some sending districts are much larger than the receiving districts. The courts, the Legislature, and the Governor, have not addressed the inequity in New Jersey of allowing the property values of some districts, namely the sending school districts, to remain outside of the equalized valuation base of the district where their students are sent to school. This results in property rich districts paying significantly less toward local education than other districts of similar property wealth and very poor sending districts paying more (in tuition) than they would pay if they were constituent members of a regional district. The July, 1995 Reock report (see section X-B2) concluded that if the very wealthy enclaves would be encompassed within some regional school district, "**the effect of exposing their property to taxation for the support of the entire regional district would have the interesting side effect of probably reducing the amount of state aid required under most state aid formulas. Since a greater portion of the property in the state would be subject to significant local taxation, the demand on the state revenue sources would be somewhat reduced.**"

Problems in Funding School Facilities

Disparities in the ability of New Jersey communities to support education compound the problem of financing the construction of school facilities and the potential for consolidating school districts. The school buildings in some districts are outdated, fail to comply with construction code standards, and are not adaptable to current classroom requirements. Many districts are facing increasing enrollments, including some least able to house new students. Faced with increasing tax burdens, citizens have responded by turning down bond issues to construct buildings. And, if the growth in student population is coming primarily from a neighboring community, voters are even more adverse to the building project. The local district studies reviewed provide significant evidence that avoidance of debt service, past and future, is a goal of some communities.

Although the projected New Jersey public school student enrollment increase in the next ten years is about 10%, some communities will experience no growth or even enrollment declines while in other communities, the school age population could increase as much as 50%. This uneven growth presents problems in encouraging future consolidation of districts and maintaining existing regional districts. If the enrollment is increasing in one constituent member community, the entire regional district will be faced with paying toward facilities at the same rate that they pay toward the cost of running the system. It also means that when a sending district is growing, a receiving district may have to expand or build new facilities to accommodate the new enrollees. The recent wave of withdrawal requests is related, in most cases, to the need for new facilities. In the local district reports, at least half of the authors cited facility needs as an unresolved issue. The voter opposition in Ocean City to an expansion of the high school has created the need for Upper Township to consider forming its own K-12 district. Avoidance of debt service is so pervasive that even the stability of long established regional districts is threatened. Few communities are willing to pay for new construction and, then, only if it is for their own schools.

Even now, while some districts have little or no space, other districts have excess capacity in buildings or classrooms. There is a significant amount of documentation and anecdotal evidence around the State that the level of utilization of existing school facilities is very uneven. Coordination among nonaffiliated districts is almost nonexistent. In some cases, school building projects are being constructed by one district that would probably be more economical and better serve the educational needs of the students in the area if the project was undertaken as a joint effort. Estell Manor and Weymouth (Atlantic County) were considering regionalization (see section X-C2) and both communities were in need of extra classroom space. According to the report, separate construction by each district required two classrooms per grade level for each district. Combined construction required three classrooms per grade level. A gymnasium, science lab and special education classrooms could have been combined. The need for office space would have been reduced if the districts shared facilities or regionalized. However, each district chose to proceed with separate building plans. Both of these districts receive State aid for debt service.

The need for information concerning school facilities cannot be overemphasized. At present, determining regional needs for school facilities is extremely difficult. The five year school district facility master plans due in 1995 have not been released by the DOE. The data should reveal the capital needs for each district based on enrollment projections. If these master plans could be tied to other DOE data involving construction work, planned or in progress, facility needs might be better evaluated. Indeed, to the extent that state funds are used to support local school facilities and related infrastructure, the **State Planning Act** may require an assessment of the degree of compliance of the local district with the regional planning objectives of the **New Jersey State Development and Redevelopment Plan**. (see section X-B4) The State Planning Act mandates a direct link between the State Plan and its Infrastructure Needs Assessment to the State capital budget: "The Commission on Capital Budgeting and Planning shall each year prepare a State Capital Improvement Plan containing its proposals for State spending for capital projects, which shall be consistent with the goals and provisions of the State Development and Redevelopment Plan adopted by the State Planning Commission." (N.J.S.A. 52:9S-3.a.)

Recommendations

1. The Legislature should establish a policy of promoting school district regionalization by providing the incentive funding to encourage district consolidation. If transportation systems were regionalized, upwards of $50 million could be channeled into incentive funds through the state aid formula to ease the consolidation process.

The proposed legislation (S386 and A680) providing for approximately $6 million is not enough to encourage districts to consider regionalizing. Probably just as significant, the source of the funding is unstable. The present proposal for incentive funding for regionalization should be incorporated into the new State aid funding proposal and the amount of funding dedicated to the goal of school district consolidation should be increased to allow more than a handful of districts to participate and to guarantee the stability of funding in future years. The State aid provided for pupil transportation could be further reduced to supplement the incentive funds. If transportation systems were regionalized, upwards of $50 million could be channeled into incentive funds through the state aid formula.

2. The Legislature should consider modifying the requirements for withdrawal from present affiliations in order to promote development of more districts with a kindergarten through 12th grade (K-12) design.

For constituent districts of a regional system, the Legislature has eased the requirements with the enactment of Chapter 255 of the Laws of 1993, but the withdrawal process for sending/receiving relationships needs to be reevaluated. At present, the Commissioner of Education cannot grant a withdrawal request if the receiving district would suffer some financial distress. With any withdrawal, the receiving district will lose tuition from the sending district, making it difficult to satisfy this standard. There will always be some distress on one or the other side. Districts are now almost locked into present arrangements.

3. The Department of Education should develop a feasibility model of districts, primarily built on present affiliations, which are best suited to K-12 consolidation. Consideration should be given to the potential for the breakup of some larger regional districts in order to facilitate K-12 development. Particular attention should be given to the needs of small, poor districts.

The Reock plan has provided a general scheme for district consolidation, but some refinement would be needed to facilitate locally specific problems, such as dissolution of affiliations with multiple districts. Some withdrawals from present arrangements would have to be accomplished. The resultant size of some of the new districts needs to be discussed. These types of concerns could best be explored with a statewide review of potential district consolidation. The Commission on Business Efficiency of the Public Schools has recently suggested the development of such a model.

4. The State should expand the available information to quantify potential operational savings, facilities and infrastructure savings, and the benefits of educational program offerings that could be gained through consolidation of school districts.

Taxpayers must have a better understanding of the potential tax savings and the educational advantages to consolidating districts. The local district reports have provided preliminary evidence of significant benefits in cost savings and enhanced educational offerings.

The immediate costs associated with the transitional changes and the long-term benefits must be determined. The Reock reports have provided some estimates but further work is needed. Legislators and citizens need to be provided with the tools to fully explore the issues associated with major structural school districts redesign.

5. The State should develop a plan to end sending/receiving relationships.

The 1980 update of the Mancuso report suggested ending sending/receiving relationships. As long as New Jersey insists on keeping its dependence on property taxes, all districts should be required to contribute their fair share. This recommendation is worth revisiting now in light of the requirements for equity in school funding. According to the Reock report, more tax dollars might be available for state aid to education if all districts were contributing to the property tax base.

6. The State should assume a more aggressive role in encouraging regional approaches in new school construction or expansion of existing facilities. Possible initiatives include reviewing the potential relevance of the State Development and Redevelopment Plan in requiring assessment of regional needs in school facility finance and construction; incorporating a regional needs component for the funding of school facilities in the "School Efficiency Act"; and including goals and strategies for a regional approach to the development of future school construction in the Department of Education's proposed Strategic Plan.

Appendix

Definition of Terms

Regionalization and Consolidation

In this report, the words regionalization and consolidation are used interchangeably. Historically, the term consolidation had a slightly different meaning in New Jersey than the term regionalization, but the distinction has blurred over the last decade. Regionalization and consolidation will be used in this report to mean a uniting of two or more school districts to form a larger district. Regional districts can be either all-purpose districts, a K-12 structure, or limited purpose districts which operate only specific parts of a full system, for example, a K-6 structure. Regionalization and consolidation of school districts does not necessarily mean less school districts for New Jersey. If a group of districts join together in a limited purpose arrangement, the number of districts actually increases. Not all the regionalization proposals described in the local school district reports reviewed for this study are K-12 proposals and the reader should pay particular attention to the structural design as outlined in those reports. Where appropriate, mention will be made throughout this report of the proposed structure for a regional district.

Constituent Member

A constituent member of a regional district is a full partner in the designed regional system with representation on the board of education and with the value of taxable property contributing to the total ratables of the regional district.

Affiliation

Affiliation in this report refers to school districts that presently are involved in some type of relationship with another district, either as a constituent member of a regional limited purpose district or in a sending/receiving relationship.

Sending/Receiving Relationships

A sending school district pays tuition to a receiving school district for students who are residents of the sending community. According to N.J.S.A. 18A:38-8, any school district having the necessary accommodations may receive, or be required to receive by order of the State Board, pupils from another district not having sufficient accommodations. When a district is receiving students, it may set a tuition rate which is determined as the actual cost per pupil based on a formula approved by the State Board.

Equalized Valuation

Equalized valuation is the measurement of the value of taxable property in a community. Property values are said to be equalized because assessed values are adjusted for differences in assessment practices. For example, if the average assessment in one school district equals the average market value of property, while in a second district the average assessment is only half of market value, assessments in the second district would be multiplied by two to make them comparable to those in the first district.

State Level Reports

The following reports have a statewide focus and reflect the comments and interests of a wide range of organizations, committees, commissions, and State government agencies. Most of the reports were released within the last five years with the exception of the original Mancuso report in 1969 and the update in 1980. Some of the reports were not specifically on the topic of regionalization but contain pertinent comments on the process.

Non-profit Research Reports

Title: Patterns of School District Administrative Salary Expenditure
Authors: Dave Kehler and Joan Ponessa
Affiliation: Public Affairs Research Institute of New Jersey, Inc.
Year: June, 1991

Summary and Conclusions: This study reviewed data from 460 school districts for the 1982-83 and 1988-89 school years and found evidence that in many districts administrative salaries were a significant and increasing expense. The report concentrated on the relationship between administrative salary spending and district size, as measured by pupil enrollment. The authors concluded that the large number of New Jersey school districts with low enrollments is a key factor in the aggregate expenditure level in this State for administrative salaries. Variations in district enrollment levels are a significant factor in explaining inter-district differences in administrative salary costs per pupil and as a percentage of current expense outlays.

Title: Pupil Transportation cost control Opportunities
Author: Joan M. Ponessa
Affiliation: Public Affairs Research Institute of New Jersey, Inc.
Year: June, 1993

Summary and Conclusions: Pupil transportation has been one of the least analyzed elements of education expenditures in New Jersey. The state government could reduce pupil transportation aid payments to local school districts by $35 million to $50 million by eliminating support for questionable expenditures and by using the funding formula scheme adopted in the Quality Education Act of 1990 to establish standards of efficiency. This report describes how dollar savings of this magnitude can be achieved, specifically through county-wide plans for regionalizing transportation for all districts and eliminating "aid-in-lieu" payments to private school parents by transporting their children.

University Related Reports

Title: How Much for Administration? Expenditure Priorities Across New Jersey School Districts FY90-91
Authors: Participants from the Policy Research Seminar and Henry J. Raimondo, Associate Professor
Affiliation: Eagleton Institute of Politics, Rutgers University
Year: June, 1994

Summary and Conclusions: This report details an analysis of expenditures in the budgets of New Jersey School Districts for the 1986-87 school year through the 1990-91 school year with emphasis on 1990-91. The purpose was to determine the importance of administrative expenditures in driving the increases in local school budgets during the period examined. The group concluded that taken as a whole there is no significant variation, over time, in the proportion of local budgets spent on administration by New Jersey school districts. This indicates that, generally, administrative spending is not driving the increase in local education expenditures. The report also pointed out that small elementary districts with enrollments of less than 500 spend a significantly higher portion (approximately twice as much) of their budgets on administrative activities.

Title: The Cost Impact of School District Creation and Consolidation in New Jersey
Author: Ernest C. Reock, Jr.
Affiliation: Professor Emeritus, Center for Government Services, Rutgers University
Year: March, 1995

Summary and Conclusions: This report is an analysis of the expenditure experience of 43 clusters of communities which increased the number of school districts by creating new limited purpose 7-12 or 9-12 regional high school districts at some time between 1955-56 and 1982-83. For the group as a whole, expenditures per pupil, when measured against all other districts in the State in the same years, rose by 15% in the first four years of regionalization, compared with the last four years before regionalization. In later years the relative level of expenditures declined, but never back to the pre-regionalization level. A second analysis examines the record of six clusters of communities which reduced the number of school districts by consolidating into all purpose K-12 regional districts. For the group as a whole, expenditures per pupil declined by 1.5% in the first four years after consolidation and by larger amounts in later years. In the three wealthiest districts the consolidation was followed by somewhat higher expenditures per pupil. Two of the three middle wealth districts showed substantial reductions in expenditure level, while in the third middle wealth district the reduction in expenditures was more modest. A very tentative cost projection, based on the experience of the three middle wealth school districts which consolidated, estimates that there might be annual statewide savings of 8.3% or $123 million in 1990-91 dollars if the state's 40 middle wealth limited purpose regional school districts were converted to all purpose K-12 districts.

Title: A Plan for School District Consolidation in New Jersey
Author: Ernest C. Reock, Jr.
Affiliation: Professor Emeritus, Center for Government Services, Rutgers University
Year: July, 1995

Summary and Conclusions: This report presents a plan for school district consolidation (not school consolidation). With few exceptions, no students or teachers would be forced by this plan to change their present location or assignment. The plan involves two steps:

1. Each limited purpose regional high school district would become an all purpose K-12 school district.
2. Each district which now is the principal receiving district for secondary level pupils sent from small elementary districts on a tuition basis would become the nucleus of a new K-12 regional school district including those sending districts.

The result of these two steps would be to reduce the number of local school districts in New Jersey by more than half. This report demonstrates an annual saving of more than $32 million in 1990-91 dollars in district administrative costs, and suggests a potential future saving of more than $200 million in overall costs. The plan would reduce the disparities among school districts in the amount of locally taxable property per pupil, and it would help to equalize local tax rates, eliminating a substantial number of tiny school districts where property is taxed only minimally for public school purposes.

Title: The New Jersey State Re-Development Plan and its Impact on Development of School Facilities
Author: Dr. Deborah Cutchin
Affiliation: Director, Urban Education Consortium, Rutgers University
Year: March, 1995

Summary and Conclusions: This concept paper was prepared at the request of the New Jersey Office of State Planning and exists as a draft. There is virtually no direct reference to school facilities with the current State Plan. The best description of the situation is the unstated set of values and assumptions which underpin several aspects of the plan. It could be inferred that the issues of education and schools were subsumed under "adequate public services at a reasonable cost". From the education perspective, this sort of description characterizes the whole debate over school funding, regionalization and consolidation, privatization and choice programs, and the definition of the "thorough and efficient" clause in the Constitution. In fact, there exists a high degree of inattention or lack of understanding about The Plan among school officials. The degree to which the educational system fails to provide a thorough and efficient education, is directly related to the degree to which the State Plan will never be realized. The process of creating a quality education system, must be characterized by collaborations among all shareholders, by acceptance of the need for a long-term investment, by continuous feedback and refinement, and by accountability of all.

Consulting Firms

Title: Analysis of New Jersey's Pupil Transportation Policy
Firm: Deloitte and Touche LLP
Year: November, 1995

Comments: This analysis was commissioned by the State of New Jersey and was designed to focus on the pupil transportation funding formula. The recommended funding formula consists of a base aid amount and an incentive factor designed to promote efficiency. The report is particularly critical of the present level of operation and points out that "the relatively large number of small, independent school districts in New Jersey is likely the most important contributor to the state's comparatively high cost of pupil transportation. Significant cost savings from economies of scale are not realized simply because New Jersey's pupil transportation program is fragmented among too many districts with too little inter-district collaboration." The relatively low base aid combined with the incentive factor in the suggested formula is designed to encourage school districts to consider various consolidation approaches.

State Government Reports

Title: Report of the State Committee To Study the Next Steps of Regionalization and Consolidation in the School Districts of New Jersey
Authors: Committee Members under the Chairmanship of Mrs. Ruth Mancuso
Branch of Government: New Jersey Department of Education

Year: 1969

Summary and Conclusions: State responsibility for education is a clearly established principle. Although in the United States local school boards have been given authority to operate districts, it is delegated authority. The ultimate responsibility and authority remains with the state. Rapid social change between the 1830s and the early 1900s produced change in educational organization for the one-room school house to the more familiar schools of today. Even after the wave of consolidation of one-room schools, by the year 1932 the United States still had 127,649 school districts. But by 1945, redistricting was wide spread. Some states reduced the numbers of districts by as much as 75 to 90%. The trend has been toward larger school districts offering a complete program of elementary and secondary schooling, a fairly comprehensive program of special education, adult education, vocational education and summer school opportunities. In New Jersey, school district reorganization typically was a proliferation of districts to meet immediate, pressing needs. Most other states have recognized that this pattern of growth and organization is unsound financially and educationally.

The urgent problems of cities are reflected in the unique problems of their schools. Certain urban areas, unable to satisfy minimal human requirements, are equally unable to offer their young people an education relevant to their needs. The damage done by raising children in a substandard environment that frustrates rather than satisfies their basic needs is compounded by the inability to equip them in their educational environment to improve their situation.

If it is obvious that many communities are unable to adequately educate their youngsters, it is equally clear that many others are eminently successful. Investigation into the experiences in certain school districts in New Jersey and other states produced evidence of school organization which led to more equalized, up-graded education and more efficient use of funds. Although there are some excellent small districts in the state, almost all evidence points to a correlation between enrollment, wealth, quality education and efficiency.

The committee recommended that:

School Districts

1. All school districts be organized on a K-12 (N-12) basis to provide a comprehensive, quality education for all pupils.
2. Constituent districts of regionals or districts with sending-receiving relationships be reorganized in a K-12 district.
3. Districts which have not maintained nor operated a school for the preceding two years shall become part of a reorganized district.

Enrollment

4. The comprehensive K-12 district enroll a minimum of 3,500 pupils. Exceptions to the minimum may be allowed when the proposed district is so extensive as to require transportation greater than 45 minutes one way, or the growth of the proposed district is projected to be sufficient to meet the minimum enrollment by 1973.

Boundaries

5. School district boundaries be primarily within county lines but, when feasible and contributory to effective reorganization, they shall cross county lines.
6. Each newly created district shall respect, as nearly as practicable, a natural geographic, social and economic community providing equalization of opportunity for all students, to avoid the creation or perpetuation of racial imbalance.

Master Plan

7. In the development of the county master plan, all school districts

be part of the study and included in the final master plan.

8. The master plan for reorganization contain recommendations for the alleviation of concentrations of pupils with educational and learning problems.

Title: Interim Report to Review Recommendations Contained in Volume II of the Four Year Assessment of Chapter 212, Part A, The Organization of Educational Services and Local School Districts in New Jersey
Authors: State Board of Education Subcommittee, Chairperson Ruth H. Mancuso
Branch of Government: New Jersey Department of Education
Year: August, 1980

Summary and Conclusions: There should be a place for small districts, but the local board of education must demonstrate that a thorough and efficient program is being provided to pupils. The study concluded that a K-12 approach to the planning and provision of educational programs is essential; where organizational barriers impede those tasks, the barriers must be removed through reorganization. Recommendations included:

1. The Legislature eliminate non-operating school districts and authorize a five-year phase-in of the changes in tax levy allocation that will result.
2. The Commissioner recommend to the Board appropriate criteria and procedures for a case by case review of districts to determine where regionalization should be required.
3. Unless special reasons can be found in the case by case review of districts, the Board recommends that sending/receiving relationships be dissolved in favor of limited or all-purpose regional arrangements.
4. Where districts agree to join all purpose or limited purpose regional districts or are required to do so after an administrative process, the Legislature should provide for adjustments in state education aid.

Title: All Our Children - A Vision for New Jersey's Schools in the 21st Century
Authors: Quality Education Commission
Branch of Government: A Commission established by Governor Jim Florio
Year: 1991

Summary and Conclusions: The Commission was established to make recommendations about the educational requirements that will address the needs of New Jersey's children, communities and businesses in the year 2000 and beyond, and to conduct a thorough study and review of the Quality Education Act (QEA). According to the final report, the commission envisioned a public school system throughout New Jersey that consolidated small districts into K-12 systems resulting in less than 250 districts. The savings to taxpayers was estimated to be $50 million in central administration annual operating expenses. Assuming that 200 of the districts also could take advantage of a building closing or the avoidance of new construction, additional savings would be another $100 million.

School districts that should be consolidated by 1997-98 include: all K-6 and K-8 school districts and constituent districts of a 9-12 or 7-12 regionalized high school, all non-operating school districts that send their students to another district, all school districts that are the sending district in a sending-receiving relationship and all school districts with fewer than 2500 students. The goal was to create more effectively sized school districts with greater autonomy at the individual schools and with greater educational opportunities for all students. Financial incentives should be available immediately and certain barriers eliminated to help districts consolidate voluntarily.

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Title: The New Jersey State Development and Redevelopment Plan
Authors: The New Jersey State Planning Commission
Branch of Government: The Commission was mandated by the State Legislature in the State Planning Act of 1986
Year: June, 1992

Summary and Conclusions: The Plan achieved the mandate of the State Planning Act by establishing polices that serve as guidelines for infrastructure investment decisions of the State, county, and local agencies. This extensive report lays out a plan for future growth in New Jersey. The estimates presented for the total 'accumulated" cost for primary/secondary education is $14.355 billion. Accumulated infrastructure costs combines backlog cost, or the cost of facilities and services that should have been constructed but were not and rehabilitation cost, which includes major maintenance and repair. By considering alternative patterns of growth that would lead to achievement of State planning goals, a yearly savings to municipalities and school districts of $380 million in operating costs could be anticipated.

Title: Finding Opportunities for Improvement: Ideas on Regionalization and Shared Services
Authors: The Commission on Business Efficiency of the Public Schools
Branch of Government: New Jersey Legislative Commission
Year: December, 1995

Summary and Conclusions: This Commission established a Regionalization Consortium in 1994 for the purpose of promoting the voluntary regionalization of New Jersey school district by raising public awareness of costs and benefits of regionalization activities, providing information on regionalization, organizing public interest, and identifying successful strategies. The report, the result of the work of the consortium and authorized by the Commission, makes a series of recommendations for the entire school community, including State and local governments. The Commission found strong evidence that K-12 school districts provide a more integrated and sequential educational experience than limited purpose districts. Small school districts (under 500 enrollment) exist which cannot provide the modern facilities and the full range of educational programs and services required to meet today's educational needs. In addition, these districts are limited in the ability to provide a full scope of extra-curricular athletic and artistic experiences for children. As a group, school districts with fewer than 500 pupils have disproportionately higher administrative and non-instructional expenditures compared to other districts in the State. While research does not indicate automatic efficiency or achievement gains through regionalization of school districts based only on size, most of the research does not include districts below 500 pupils or in non-K-12 organizational structures. Research which has included such arrangements tends to indicate lowered efficiency in those districts.

Based on these findings the commission made recommended the development of a uniform and comprehensive model for determining the feasibility of regionalization into K-12 districts. The Commission encouraged the legislature and the executive branch to structure any new funding formula in such a manner that school districts are not penalized should they become constituents of regional districts. Site-based management of schools with a K-12 setting should be encouraged through incentives and the development and distribution of model site-based programs.

The report also recommends that a study be performed which determines the feasibility of moving to a county-wide school system in New Jersey. This study should start with an examination of those states which have adopted such systems. While this structure does not appear likely in New Jersey on a voluntary basis, understanding the differences between our highly decentralized system and a centralized one, such as Florida's county-based system, should provide insight for State decision-makers.

Title: Sharing Services: A New Approach to Regionalization
Authors: New Jersey General Assembly Republican Policy Committee Task Force
Branch of Government: Assembly Republican Office
Year: October, 1990

Summary and Conclusions: The Task Force was established to examine the feasibility of regionalization as a tool in reducing certain local costs. The impetus was the concern for containing increasing property taxes. The report addressed all types of local government. The limited section on local school districts recommended that school regionalization be considered carefully and cautiously because economies of scale may not be achieved and such action is almost irreversible. The report cited an executive summary of Herbert Walberg's study (cited in Section) that suggested that New Jersey school district sizes are a deciding factor in education outcomes. Larger districts in this State were associated with lower test scores. The task force report, however, neglected to mention the socioeconomic factor differences between the districts in New Jersey.

Title: Consolidation of Services School District Survey
Authors: Consolidation of Services Task Force
Branch of Government: NJ Department of Education
Year: September, 1995

Summary and Conclusions: The Task Force composed of local school board members, school administrators, state-level educational organizations, and members of the Department of Education, was convened by Commissioner Leo Klagholz to study ways schools can consolidate their resources to reduce expenses. Although the Task Force agreed that regionalization of school districts is an important option in the consolidation of services, they suggested that this process is extremely complex and should be reviewed separately. A thorough analysis of existing educational and support services delivery systems was conducted, as well as a survey of services which each district could provide to other districts in the future.

Title: Voluntary Regionalization Proposal
Authors: Bureau of Planning and Research in the Division of Finance
Branch of Government: Department of Education
Year: (undated, received by PARI in 1992)

Summary and Conclusions: The proposal addressed the following obstacles to regionalization:

- the current method of tax apportionment among constituent districts
- the potential loss of state aid when districts combine
- The initial investment for start-up costs
- the assumption of significant new debt or the assumption of pre-existing debt
- the possibility of increased transportation costs
- the difficulty of withdrawal from a regional school district, and
- the cost of a regionalization study and the difficulty of building support for a merger

The report recommended that a $25 million voluntary regionalization demonstration program be established for the creation of new all-purpose (K-12) regional school districts. The proposal suggested changes to the method of apportioning the tax levy in new regional districts; the number of pupils should be weighted at 50% and property value and income should be weighted at 50%. Caps would be placed on a community's contribution (for example, no more than 200% of the state average per pupil cost). A three-pronged state aid incentive which included a new categorical aid for new regional districts was proposed. A transportation aid incentive, and debt service aid for pre-existing and/or new debt were also suggested. According to the report, relaxing the existing withdrawal process would help to alleviate the fear of being unable to withdraw from a regional district. No state aid incentive would be provided to offset costs associated with increasing teacher salaries.

Title: Strategic Plan for Systemic Improvement of Education in New Jersey (draft)
Authors: New Jersey Department of Education
Year: June, 1995
Comments Relevant to Regionalization:

Goal 8 of this report is to redirect resources to instruction. New Jersey ranks 49th among states in proportion of total education spending going to instruction. Too many of our resources are being used to maintain a bureaucracy that has grown up around schools. The purpose of school administration is to support the efforts of principals and teachers, but sometimes it obstructs them and drains resources. Additional leakages of funds from the classroom derive from expensive mandates, from functional duplication across local agencies, and from the expensive mandates, from functional duplication across local agencies, and from the inefficiencies of size that are inevitably present in a small state with more than 600 school districts.

The Department's strategy will be to promote the regionalization of small school districts and those which do not offer instruction in the full K-12 grade span as a means of realizing both fiscal and educational efficiencies. They propose to offer technical support for districts considering regionalization through support teams comprised of DOE personnel, provide financial incentives, and promote the inherent education benefits of regionalization. This report is presently under review by the State Board of Education.

Title: Comprehensive Plan for Educational Improvement and Financing
Authors: New Jersey Department of Education
Year: November, 1995

Comments Relevant to Regionalization:

Salaries and Benefits: New Jersey has above-average costs for employee salaries and benefits. While adequate compensation is essential to attract and retain qualified staff, the system does not meet that need consistently across districts or balance it with other instructional priorities. Because New Jersey laws provide each school board with substantial authority to determine what is necessary for a thorough and efficient education, whatever is negotiated locally by each of nearly 600 districts must be funded. These local negotiations produce major fiscal disparities--employees of different school districts who perform the same job with the same qualifications and years of service can be separated by compensation levels that differ by as much as $30,000 a year.

Administrative Excess: New Jersey operates nearly 600 separate school districts in a relatively small geographical area. Therefore, the system's administrative and other non-instructional costs are proportionally higher than average. (It should be observed that this problem is particularly evident in the state's wealthiest districts, the average expenditure of which sets the current standard for parity. Of those 120 districts, the vast majority are too small to provide a K-12 curriculum. Most are comprised of only one, two or three elementary schools. Yet, there is some evidence that a K-12 structure provides educational continuity and sufficient concentrations of students to support the provision of quality services by full-time professionals at an appropriate level of efficiency. Therefore, at least part of the average expenditure of districts in wealthier communities may represent spending to maintain organizational practices that may be educationally undesirable and fiscally inefficient.)

Duplication of Functions/Services: The state's many small districts generate unnecessary costs by duplicating various administrative functions and services, such as purchasing, transportation and food services, as well as other non-instructional services. As noted above, many of these districts lack the concentrations of students to support services at an appropriate level of quality and efficiency.

Advocacy Group Reports

Title: Regionalization Study: N.J.A.S.B.O.
Group: New Jersey Association of School Business Officials
Year: December, 1992

Summary and Conclusions: The group reviewed the work that had been done on regionalization to date and decided to develop a statewide survey of school business officials. The organization felt that these individuals were in the best position to respond to the possible impact of regionalization on school districts. The report is the result of the 150 responses to the survey.

The survey suggests that the status quo has considerable support. Districts appear willing to study regionalization, but past experience demonstrates that regional studies seldom result in change. The apportionment of taxes and the ability to withdraw from a regional appear as the major obstacles to any consolidation plan. A separate survey question was aimed at regional districts and revealed that there is a strong consensus not to break up an existing regional.

NJSBO officials felt that there was little will on the part of policymakers at both the local and State level to face voter anger over the issue. A more promising approach may be the consolidation of administrative functions while maintaining independent districts; as State financial reporting requirements become more complex, small districts may lack the resources to meet them. The real obstacle to regionalization is the development of a thorough and efficient school funding formula. Many small school districts with substantial wealth are able to provide an exceptional educational program for their children. As long as State funding remains a relatively small part of local school funding, regionalization for wealthier districts is likely to increase taxes and reduce local control. New Jersey could opt for a school finance formula in which the State becomes the major source of revenues. Under this approach, differences in local wealth would be less important, as school funding became primarily a State responsibility. Presumably, the State would have significant leverage in forcing regionalization as the major source of school funding.

Local District Level Reports

The best way to identify the relative interest in regionalization in New Jersey is to review the experience of local districts which previously have explored potential consolidation options. The local issues are varied and often more complex than is apparent from state level studies. Some of the present district configurations have historic roots that in the 1990s no longer make any sense but continue because the process of change is long and difficult. The local studies presented represent various levels of commitment by the school districts to regionalization. In some cases, the projects were strictly exploratory in nature. In others, the districts had already seriously discussed the possibilities of regionalization and/or have completed previous studies.

Studies Sponsored by Department of Education Grants

The following studies were funded in 1993 by grants from the New Jersey Department of Education. A total of $90,000 was distributed to 19 district groups representing a total of 58 school districts. Two of the 19 groups of districts subsequently decided against the studies and rejected the grant money. Only one of the 17 study reports is available in the New Jersey Department of Education. PARI requested copies of the study reports from the local districts and Dover Town (Morris County) was the only district unwilling to provide a copy of the final report. The other 16 reports are summarized below.

Rockaway Borough Public Schools and Rockaway Township Public Schools (Morris County)

General Information: Completed by Dr. Larry Kaplan, University Consultants on Education, March, 1994 under the title, **A Regionalization Potential Analysis.** Rockaway Borough and Rockaway Township Public Schools both have a K-8 structure.

Issues	Summary and/or Recommendations
These two communities have a unique number of variables in common as related to the potential for regionalization, namely equalized valuation/pupil costs, per capita personal income, average residential value, equalized school tax rate, percent of state aid, and cohort survival ratio. There is some concern about the amount of open space in the Township and the potential for growth which could result in the need for new facilities.	Regionalization "would produce a more viable cohort and offer both communities equity in dollars and cents." According to the author, the only area of concern might be the number of Board Members who would represent the Borough. "The efficiency and effectiveness derived from regionalization merits the constituent Boards serious consideration."

Galloway Township Public Schools and Port Republic Public Schools (Atlantic County)

General Information: Galloway Township and Port Republic School Districts are K-8 systems. The Educational Information and Resource Center (EIRC), Sewell, completed the **Port Republic/Galloway Township Regionalization Study** in June, 1994.

Issues

Neither district wants to regionalize according to surveys conducted. Future construction to accommodate the growth in Galloway Township is a critical issue. Galloway needs more space. Port Republic could house some students in their buildings now, but Port Republic would have to share in the debt service if a regional district was formed and further building was necessary.

Summary and/or Recommendations

The conclusion was in favor of maintaining the status quo. Port Republic might save money initially, but the future debt service would nullify the savings. Increasing costs will continue for Galloway because of increasing enrollment. The fear of a new state aid formula was expressed. State aid for a regional district would be increased by the inclusion of Port Republic but the declining number of students in the Port Republic district will gradually lessen the impact. In terms of academic achievement, the report summary stated that there was no value in regionalizing since standardized test scores are similar. However, Port Republic students would have access to greater choice of educational offerings.

Barnegat Township Board of Education and Ocean Township Board of Education (Ocean County)

General Information: The report was completed by New Choices Educational Services, Inc. in May, 1995 with the title, **Regionalization Feasibility**. Barnegat (K-8) and Ocean Townships (K-6) presently are sending districts to the Southern Ocean Regional District (7-12).

Issues

The Boards of Education requested an analysis of the feasibility of implementing three different proposals; 1. a combined regional junior/senior high school, 2. a high school for Barnegat only, or 3. the possibility of Ocean Township becoming a constituent member of the Southern Regional High School District.

Summary and/or Recommendations

Each option was analyzed and the pros and cons discussed. According to the report, each proposal is viable. 1. The combined enrollments of the two communities indicate the desirability of a 7-12 school. 2. High tuition costs would make it advantageous to construct a high school in Barnegat. 3. Ocean Township would be better served as a constituent district of the Southern Regional District, however, it is unlikely that the other constituent districts would agree to this proposal. The recommendations were left up to the Boards of Education, but the authors of the report felt that maintaining the status quo was no longer desirable.

Carlstadt-East Rutherford Regional and Wallington Public School Districts (Bergen County)

General Information: This study was completed by Dr. Robert F. Savitt, Guidelines, Inc. in December, 1993 and entitled **Regional Study Relating to Grades 9-12 Carlstadt-East Rutherford and Wallington.** Carlstadt (K-8) and East Rutherford (K-8) presently are constituent members of the limited purpose regional. Wallington is a K-12 district.

Issues	Summary and/or Recommendations
Both the regional high school (enrollment 408) and the Wallington high school (enrollment 330) are very small with limited course offerings. School facilities have space available.	The educational advantages (consolidation of facilities, staff, and expanded course offerings) clearly appear to outweigh the disadvantages listed (loss of local control, renegotiation of teacher contracts, and new school boards), but questions were raised concerning the tax impact on East Rutherford. The final recommendation was left to the Boards of Education and will involve further study.

Belmar, Brielle, Manasquan, Spring Lake Heights, and Wall Township (Monmouth County)

General Information: The study was completed by John Howarth, Dr. Robert G. Balentine and Dr. Harry Glinsky in October, 1994 and entitled **Regionalization Feasibility Study.** Wall Township is a K-12 district. Spring Lake Heights, Belmar, and Brielle (all K-8) presently are sending districts to the Manasquan Regional District.

Issues	Summary and/or Recommendations
Alternatives to existing sending-receiving relationships have been discussed in the past. All five districts were interested in exploring possible improvement of educational programs and better use of existing facilities.	All five communities are meeting the needs of students, but together all students would have a better educational program. Greater opportunities for students on the middle school level would be immediate. A unified curriculum would be an advantage. Fiscal savings would occur, but would not be equal among the districts. Belmar would have a significant increase in the cost of education. Lack of control is a concern due to the size of Wall Township in relation to the other districts.

Roxbury and Mount Arlington Public Schools (Morris County)

General Information: This preliminary financial analysis was completed in 1994, the final report was not completed. Roxbury (K-12) is a receiving district, Mount Arlington (K-8) is the sending district.

Issues	Summary and/or Recommendations
The districts sought to provide estimates of the financial impact if a K-12 regional district was formed. The study only deals with the effects on tax rates for the communities.	The equalized school tax rates are the same in both communities if the taxes are apportioned on an equalized valuations basis.

Chesterfield, North Hanover, Mansfield, and Springfield Townships and Northern Burlington Regional School Districts (Burlington County)

General Information: Donald E. Beineman prepared this report, **Regionalization Feasibility Study** in March, 1994. Northern Burlington Regional is a 7-12 district for the other 4 constituent districts, all of which are K-6.

Issues

These districts were interested in the possibility of a regional K-12 district or a limited purpose regional school district for the elementary districts. Mansfield has had several new housing developments approved. Federal impact aid is an issue because these districts surround McGuire Air Force Base. Enrollment projections are a significant issue; fluctuations in the number of families associated with the air base are always possible.

Summary and/or Recommendations

The potential for growth in these districts is significant and will not affect all of the communities at the same time and in the same way. "Given the current funding mechanisms, there seems to be little reason to join together in any type of regional district." The one advantage of a K-12 regional would be the coordination of curriculum among the elementary districts and with the regional high school.

Rancocas Valley Regional High School; Eastampton, Hainesport, Lumberton, and Mount Holly School Districts (Burlington County)

General Information: Dr. Larry Kaplan, University Consultants on Education, completed this study entitled **Regionalization Study for the Potential Expansion of Grades Attending the Rancocas Valley Regional High School** (July, 1994). Eastampton, Hainesport, Lumberton, and Mount Holly are all K-8 and constituent members of the 9-12 regional district. Westampton is also a member of the 9-12 regional, but was not interested in participating in the study.

Issues

Four of the five districts participating in the study are growing. Some new buildings recently have been completed and others are in the planning stage. There are disparities in educational opportunities between the districts.

Summary and/or Recommendations

Cooperative curriculum development would be a considerable advantage. Because of the less than enthusiastic attitude on the part of the administrators in considering regionalization, the author of the study focused on sharing services and suggested that when the burst of school construction has subsided, several of the constituent districts ought to consider the educational and fiscal benefits of regionalization.

Montgomery Township Board of Education and Rocky Hill Board of Education (Somerset County)

General Information: This regionalization study was conducted by the New Choices Educational Services in 1994. Montgomery is a K-12 receiving district and Rocky Hill is a sending district with no schools of its own.

Issues

Rocky Hill is a non-operating school district with only 77 students. Rocky Hill presently pays Montgomery Township tuition and if the two

Summary and/or Recommendations

The total tax rates for both districts will need further review, because the total tax levy to support the educational process will be spread districts regionalized, Rocky Hill would have to share Mongomery's debt service. over a larger combined base. Rocky Hill would lose some state aid.

Warren Hills Regional High School District; Franklin, Mansfield, Oxford, Washington Townships and Washington Borough School Districts (Warren County)

General Information This report, **Informal K-12 Regional Feasibility Study,** was directed by Dr. Robert F. Savitt, Guidelines, Inc. and released in February, 1994. Warren Hills Regional is a 7-12 district and Franklin, Mansfield, and Washington Townships and Washington Borough are constituent members of the regional district. Oxford (K-8) is a sending district.

Issues

The present building capacity of Washington Borough and Washington Twp. will be over capacity in the near future. Future housing trends need to be monitored because increased enrollment would require new construction in the middle and high school. The districts are educationally compatible, but need a coordinated curriculum.

Summary and/or Recommendations

Articulation of curriculum could be more effective in a regionalized district. The tax impact on each district would have to be considered. The other disadvantages listed are those inherent in any district change to a regional design: loss of total control, need for staff inservice, renegotiation of teacher contracts, and a new school board.

Haddon Heights and Barrington Public Schools (Camden County)

General Information: This study was prepared by Donald E. Beineman in April, 1994 and is entitled **Regionalization Feasibility Study.** Barrington (K-8) is a sending district to Haddon Heights (K-12) for grades 9-12.

Issues

Tax levies are the major issue here. Tuition costs for Barrington are high.

Summary and/or Recommendations

Both school districts would have potential losses without significant offsetting gains in establishing a regional school district. Barrington would lose control of the board of education. Haddon Heights would pay more taxes to support the same educational program. One hope for acceptance of regionalization might be the negotiation of a percentage share of tax levy to include both equalized valuation and enrollment as now permitted by law.

Bernardsville, Far Hills, and Peapack-Gladstone Public School Districts (Somerset County)

General Information: This report entitled **A Study of the Potential of the Creation of the Somerset Hills Regional School District** was completed in April, 1994 and amended in October, 1994. The author was Dr. Lawrence Kaplan, University Consultants on Education. Far

Hills and Peapack-Gladstone are non-operating districts and presently send all their students to Bernardsville (K-12) on a tuition basis.

Issues	Summary and/or Recommendations
The sending districts have no representation on the Bernardsville Board of Education.	There would be no impact on the educational program. Far Hills and Peapack-Gladstone would have a stronger role in the operation of a regional district for a minimal tax difference.

Present Status: This regionalization process has now been accomplished and the new Somerset Hills Regional began operating in July, 1995.

Northern Highlands Regional High School District; Allendale, Ho-Ho-Kus, Saddle River and Upper Saddle River Public School Districts (Bergen County)

General Information: Informal Regional Feasibility Studies were directed by Dr. Robert F. Savitt, Guidelines, Inc., and issued in January, 1994. Allendale (K-8) and Upper Saddle River (K-8) are currently members of the limited-purpose 9-12 regional high school district. Saddle River (K-8) is a sending district to the Ramsey School District (K-12). Ho-Ho-Kus (K-8) is a sending district to Midland Park School District (K-12).

Issues	Summary and/or Recommendations
This was a first step in exploring the possibility of regionalization steps toward a K-12 configuration involving the above districts. Tax rates for the communities are a significant concern.	This is an extremely complex study exploring multiple configurations and involving districts who are presently in different types of relationships. The pattern of the regionalization design is unprecedented and would require legislative approval. While the overall amount of tax needed to run a K-12 district would decrease, the tax impact would be different for each community. Facilities would be more effectively utilized and students, particularly in the middle school, would have access to teachers with specialized backgrounds. Much work still needs to be done to further articulate any regionalization process in these districts.

Mendham Borough and Mendham Township Public Schools (Morris County)

General Information: The superintendents of the two districts, Dr. Joseph Cornell (Mendham Township) and William Frank III (Mendham Borough), completed this regionalization feasibility study with the assistance of the county superintendent, Dr. Sharon Clover. The report, with a projected implementation date of 1995-96, was submitted to the regionalization committee in February, 1994. Both districts are K-8 systems.

Issues	Summary and/or Recommendations
The borough is surrounded by the township on	All buildings have adequate facilities for the

three sides. The major question is whether curriculum, staffing, and budgetary support will meet the needs of the students better with one K-8 district or through two separate districts.

grade levels. There appear to be no major obstacles to consolidating the two districts. The State must now approve the plan and the local school boards must select dates for a special election to vote on the plan and to select the tax allocation method to be used by the new district.

Present Status: The report was presented to both district Boards of Education. Both Boards decided not to send the plan to the State. The major issue was loss of local control. Now, in 1995, these districts have initiated a new study to consider withdrawing from the West Morris Regional High School District and forming a new high school district with Chester Township. (see summary of earlier study under section X-C2)

Paulsboro and Greenwich Township Public School Districts (Gloucester County)

General Information: This report entitled, **Preliminary Study of the Feasibility of Regionalization for the Borough of Paulsboro and the Township of Greenwich**, was submitted to the districts in June, 1994 by John L. Harris, Capriotti Vining Ruidzenski Association. Greenwich (K-8) is a sending district to Paulsboro (K-12) for high school.

Issues

Overcrowding of schools is an issue in these communities. Better curriculum articulation is needed between the districts.

Summary and/or Recommendations

The cost savings in operating only one central administration could be as high as $600,000. The local tax rates could be adjusted to fairly represent the existing tax obligation of each constituent district. Redistribution of students would help free up some classroom space.

Allentown and Roosevelt Boroughs, Millstone, Plumsted, and Upper Freehold Townships (Monmouth County, except Plumsted which is Ocean County)

General Information: This study was completed by New Choices Educational Services Associated, Perth Amboy, in August, 1995. The title is **Regionalization/Feasibility Study**. The Upper Freehold Regional School District serves the communities of Upper Freehold Township and Allentown Borough for grades K through 12. It is a receiving district for Millstone and Plumsted, both of which are K-8. Roosevelt Borough (K-8) sends to the East Windsor Regional (Mercer) for high school.

Issues

The projected growth in Millstone and Plumsted might force the issue of regionalization in the next decade. Currently, 70% of all students attending the Allentown High School (Upper Freehold Regional District) are on a tuition basis. Projected growth will require a new high school in the Millstone area. An articulated

Summary and/or Recommendations

Creation of a geographically large school district would allow a reorganization of the transportation system which would bring about some financial savings. Depending on the formula employed, Plumsted and/or Millstone would face a tax increase. Plumsted and Millstone also would have to assume the curriculum between districts would be an advantage. Plumsted receives federal impact aid which would be lost with regionalization. The districts are concerned about the influence of a new state aid funding formula on regionalization.

largest percentages of debt service. Increased costs would be incurred for establishing salary guides which would eliminate disparities between districts.

Other Local Studies

The following studies were completed by local districts at various discussion levels in the regionalization process. PARI attempted to track down as many of these recent studies as possible, but we encountered significant problems in finding them. No one in State government or in local districts keeps records of regionalization activities. With the publication of this summary report, we feel confident that we will hear about others and add them to the collection. Some local studies are presently in progress and some proposed. These will be added to this collection as they become available.

Phillipsburg, Alpha, Bloomsbury, Greenwich, Lopatcong, and Pohatcong School Districts (Warren County, except Bloomsbury which is Hunterdon)

General Information: This study entitled **Formal Regional Study in Phillipsburg, Alpha, Bloomsbury, Greenwich, Lopatcong, & Pohatcong** was developed by Dr. Robert F. Savitt, Guidelines, Inc., Long Island, NY in June, 1991. Alpha, Bloomsbury, Greenwich, Lopatcong, and Pohatcong are K-8 districts; Phillipsburg is K-12 and the receiving district for the 9-12 students from the other districts. A previous study by Dr. Larry Kaplan, University Consultants of Education, had concluded that regionalization on a K-12 basis was worthy of further study.

Issues

The potential regional cluster forms a contiguous area. Phillipsburg is an urban district: the other districts are mostly rural. The major concern is whether regionalization could provide more effective educational programs and services at a lower cost. The districts are reviewing a possible 6-12 district or a K-12 plan.

Summary and/or Recommendations

No major elementary modifications would have to take place if a regionalization plan was approved. A new middle school would provide educational advantages. A renovated high school could increase educational courses. There would be no substantial difference in racial composition. Tax implications vary depending upon the district. Further studies and activities are needed before the process could be completed.

Present Status: In 1992, the districts submitted regionalization plans to the State Department of Education. The next year, the smaller districts decided that a 6-12 or 7-12 would be more advantageous. The response delivered in July, 1995 by the Warren County Superintendent was negative to a 6-12 or 7-12 district. Phillisburg continues to want a regionalized district but the Department of Education has been unable to determine if Phillipsburg would lose "special needs" status if any regionalization should take place. New discussions will begin with the districts in January, 1996.

Allamuchy, Hackettstown, Independence, and Liberty School Districts (Warren County)

General Information: Hackettstown (K-12) is the receiving district for Allamuchy (K-8), Independence (K-6), and Liberty (K-8). An initial study on the potential for regionalizing these districts was done by Strauss Esmay, Inc., Califon, in December, 1988. The conclusion was that "an all-purpose regional district would be economically, educationally, and governmentally advantageous to each district." Two further studies, a financial impact study (March, 1990) and a formal study (June, 1991) were done by Robert Savitt, Guidelines, Inc., and are reviewed here.

Issues	**Summary and/or Recommendations**
There could be better plant utilization with a regionalization plan, thus saving potential construction costs. Detailed planning is needed to coordinate the curriculum between the four districts.	With regionalization, the tax rates in three of the four districts would increase slightly, Allumuchy's rate would remain approximately the same. These costs do not reflect buy-in costs for an apportioned share of Hackettstown buildings which would be subject to negotiations. The next step recommended is a vote by the districts on the proposal.

Present Status: The process was long and agonizing with little help from the Department of Education (see letter to Governor Florio in Appendix X-G). The vote in October, 1992 resulted in Hackettstown and Allamuchy turning down the proposal. Independence and Liberty continued the process alone. (see below).

Independence and Liberty Townships Public Schools (Warren County)

General Information: Independence and Liberty are both K-8 districts. The formal study to consolidate these two districts was done by Robert Savitt, Guidelines, Inc. in April, 1993.

Issues	**Summary and/or Recommendations**
These two districts have a long-time interest in regionalizing and are educationally and fiscally compatible. Both districts are growing and must consider increasing space. Rather than additions to the existing K-8 buildings, a new middle school is being discussed.	A new regional middle school will cost more than separate additions in each school district but the facility would be educationally planned for early teenagers and would decrease the need to send Independence pupils in 7th and 8th grade to Hackettstown. The costs of operating the regionalized system are projected to be less by 1996-97 than the costs for two separate systems.

Present Status: A referendum was held in both communities in Oct., 1993 and passed. A new school board was established and the Great Meadows Regional School District began operating in July, 1994.

The Sterling Regional High School District, Hi-Nella, Laurel Springs, Magnolia, Somerdale, and Stratford (Camden County)

General Information: Hi-Nella has no schools of its own, although half of Sterling Regional High School is located within its boundaries. Hi-Nella students attend the Oaklyn Public Schools for K-9 and Collingswood High School for 10-12. Magnolia, Somerdale and Stratford, all K-8, are constituent districts of Sterling Regional. Laurel Springs (K-6) sends 7th and 8th graders to Stratford and high school students to Sterling Regional. This study, **Preliminary Regionalization Feasibility Study for the Sterling Interdistrict Schools Consortium**, was completed in September, 1992 by the Educational Information & Resource Center, Sewell.

Issues

Each of these communities share markedly similar characteristics. Geographically they are joined and the total area is only 8 square miles. The educational philosophies are similar in all districts. Community support for potential regionalization is only moderate. Oaklyn and Collingswood would likely challenge the withdrawal of Hi-Nella. Three of the districts, Magnolia, Laurel Springs, and Somerdale, have immediate facility needs.

Summary and/or Recommendations

Since this was a preliminary study, a complete analysis of financial issues relating to regionalization was not done, however, the communities involved are financially compatible in tax rates, per pupil costs, allocations for special education, and indebtedness. There is no guarantee of significant financial advantages to regionalization of these districts, especially with the recent elimination of financial incentives by the State.

Estell Manor and Weymouth Township School Districts (Atlantic County)

General Information: Estell Manor and Weymouth are K-8 districts. The Educational Information & Resource Center conducted this study and they wrote report as two separate pieces. Both districts were considering facility additions, but also had expressed interest in regionalization. The separate reports were completed in August,1991 and are summarized here as one.

Issues

A community survey revealed that both communities favored consideration of a K-8 regional school district. Both districts have facility needs. Both districts perceive a need to improve computer education, counseling and child study team services, and support more extracurricular activities.

Summary and/or Recommendations

Both Boards of Education need to formulate more viable building programs in terms of cost and educational objectives. Regionalizing educational services on a mutual sending-receiving relationship would benefit both districts. Separate construction will require two classrooms per grade level for each district. Combined construction would require three classrooms per grade level. A gymnasium, science lab and special education classrooms could also be combined. The need for office would also be reduced if the districts shared facilities.

Present Status: Both districts built their own additions which opened om early 1995.

Logan Township and Kingsway Regional School Districts (Gloucester County)

General Information: Report on the Feasibility of Expanding the Kingsway Regional School District to Include Logan Township was completed by district personnel in August, 1995. Logan is a K-8 district sending to Kingsway Regional for 9-12. A small percentage of Logan students attend Paulsboro School District for 9-12. In 1991, a feasibility study was conducted by the Kingsway Board to review the possibility of incorporating Logan as a member of the 7-12 district. The evidence suggested that it would be in Kingsway is best interest to pursue this expansion of the region. A consultant for Logan concluded in 1993 that Logan should consider regionalization with Kingsway for grades 7-12.

Issues

Kingsway is currently overcrowded and in need of expansion. Logan is already using rented classroom space. Establishing a permanent relationship between the two districts has been discussed for years and the current situation calls for a clear determination before proceeding with building plans.

Summary and/or Recommendations

This report concludes that it would be in the best interest of all districts involved for Logan to become a constituent member of the Kingsway district for 7-12. The sending relationship with Paulsboro would be terminated (see report below). The plan must now be passed by the Logan and Kingsway Boards of Education and sent to the Commissioner of Education for approval and permission to set a date for a referendum.

Present Status: Both Boards of Education have given approval to the report (November, 1995) and the report was sent to the Commissioner. Logan is waiting for a hearing before the Office of Administrative Law (OAL) on their withdrawal proposal from Paulsboro (see section X-C3 below). The time frame remains of serious concern to Logan and Kingsway due to the need to proceed with building plans.

Chester, Mendham Township, Mendham Borough, Washington Township, and West Morris Regional School Districts

General Information: Dr. Robert Savitt, Guidelines, Inc. completed the **Feasibility Study of Proposed Deregionalization/Regionalization Models in West Morris Regional School District Involving Chester, Mendham Township, Mendham Borough and Washington Township** in March, 1990. Chester, Mendham Township, Mendham Borough, and Washington Township are all K-8 districts and constituent members of the West Morris Regional School District (9-12).

Issues

These districts have some concerns about the future direction of the West Morris Regional District. Could more effective educational programs/services be provided at a more equitable cost? Two models have been proposed for the districts. Model 1 is the establishment of a 9-12 regional high school for Chester and the Mendhams and a K-12 district for Washington Township. Model 2 is an all purpose K-12 regional district for Chester and the Mendhams and a K-12 district for Washington Township. Both models involve a breakup of the West Morris Regional District.

Summary and /or Recommendations

Model 1 - Chester and the Mendhams would have their own high school without the dominance of the larger Washington Township and an opportunity to refine curriculum to focus on education needs of students from the three smaller districts. However, additional administrative staffing would be required for the 9-12 regional. Model 2 - One Board of Education and one superintendent would be needed for the entire K-12 regional. A sequential K-12 curriculum could be developed. Facilities could be consolidated and a school in Mendham Township could be closed. The challenges of integrating a K-12 staff from the present 9-12 staff and three separate elementary/middle school staffs would have to be met.

Studies Proposing Withdrawal from Present Affiliation

Lower Camden County Regional High School District; Berlin, Waterford, and Winslow Townships; Chesilhurst, Clementon, Lindenwold, and Pine Hills Boroughs (Camden County)

General Information: As early as 1983-84, these districts were considering various reorganization plans. The Educational Information & Resources Center, Sewell completed the **Lower Camden County School Districts Reorganization Study** in that year. Although outdated, this report is cited to point out the long term nature of the issues surrounding the relationships between these districts. The Regional School District is a 7-12 district; the others are K-6 constituent districts.

Issues

The major issue was overcrowding conditions. Two of the regional secondary schools were on staggered schedules.

Summary and/or Recommendations

The study identified 16 options to address the problems in these districts. One of the options was combining the districts to form one K-12 district. The other options involved creating two or more new districts.

Lower Camden County Regional High School District and Winslow Township School District (Camden County)

General Information: In May, 1993, Stanton Leggett and Associates, Larchmont, NY assisted these districts in preparing a petition to the County Superintendent of Schools requesting that Winslow Township (K-6) be allowed to withdraw from the high school regional district (7-12). The subsequent report (reviewed here) in response to the petition was prepared by Dr. John Sherry, Camden County Superintendent of Schools in June, 1993.

Issues

Winslow is significantly larger geographically than all but one of the other members of the regional district (see above 1883-84 report). The total enrollment in the regional district is 5,153 and in Winslow the enrollment is 3,266. Winslow is the fastest growing district. Overcrowding is an issue for all of the districts involved.

Summary and/or Recommendations

The report recommends allowing the withdrawal of Winslow from the regional district. Both Winslow and the remaining regional district would be large enough to sustain the present educational program of the high school district. Winslow would become a K-12 district. One high school and one junior high school are within the borders of Winslow. Withdrawal of Winslow from the regional high school district could result in slightly lower expenditures.

Present Status: Four new options to reorganize the districts were unveiled in late November,1995 and the Educational Information and Resource Center will complete a feasibility study by mid-February, 1996. The Camden County Superintendent will present his recommendations on March 15, 1996.

Logan Township and Paulsboro High School (Gloucester County)

General Information: This report was prepared by Donald E. Beineman in early 1995. Logan Township is a K-8 district which sends its high school students to Paulsboro and to Kingsway Regional High School District.

Issues

Logan is one of a unique set of three South Jersey districts which operate their own elementary school but send their high school students to more than one receiving high school. In 1994-95, 38 of Logan high school students out of 250 went to Paulsboro. Residents are interested in having all students go to the same high school. Administrators complain that curriculum articulation is difficult when two high school districts are involved.

Summary and/or Recommendations

There would be no substantial impact on the educational program at Paulsboro High School if the Logan students withdraw; however, Paulsboro would lose approximately $278,000 in tuition. A withdrawal over four years could minimize the impact. An option would be to afford parents the opportunity of choosing a high school for their child.

Present Status: In November, 1995, the Boards of Education of Logan and Kingsway Regional Districts requested permission from the Commissioner of Education to regionalize. Logan is waiting on a hearing before the Office of Administrative Law for permission to withdraw from the sending relationship with Paulsboro.

Union County Regional High School District; Berkeley Heights, Clark, Kenilworth, Mountainside, Garwood, and Springfield Boards of Education (Union County)

General Information: This report was prepared because five of the six school districts and municipalities filed resolutions with the County Superintendent of Schools to investigate possible dissolution of the regional district. The Garwood Board of Education and the Union County Regional Board of Education are opposed to dissolution. The regional district is presently 9-12 with 3 high school buildings (a fourth was closed in 1993). The six constituent districts are K-8. **Report of the Union County Superintendent of Schools on the Advisability of the Dissolution of the Union County Regional High School District** was completed in April, 1995 by Dr. Leonard D. Fitts.

Issues

Five of the six constituent districts want to dissolve the regional district. An earlier report commissioned by the five districts recommended that there be four high schools in six communities. The current apportionment of taxes for the regional district is a significant issue because some constituent districts pay more compared to actual pupil enrollment. The present regional school district is not financially efficient; the district has the highest per pupil expenditure for a limited-purpose regional high school in the State.

Summary and/or Recommendations

The proposed creation of six K-12 districts, four operating high schools, does not provide sufficient enrollments to offer a varied and comprehensive school program without a significant financial commitment. Substantial underutilization of school facilities would result in additional inefficiencies; by the year 2000, all the proposed high schools would be about 50% or greater under capacity. Other K-12 structures, sufficient in size to offer a comprehensive high school program and be financially cost effective, could be investigated in order to satisfy the goals of the six communities.

Present Status: In November, 1995, in a precedent setting decision, the State Board of Review approved a request to allow voters to decide in a referendum whether to dissolve the regional district.

Corbin City, Sea Isle City, Upper Township, and Ocean City (Cape May County, except Corbin City which is in Atlantic County)

General Information: A Study of the Feasibility of Termination of the Sending/Receiving Relationship of Corbin City, Sea Isle City, and Upper Township with Ocean City High School was completed by Donald E. Beineman in November, 1995. Corbin City is a non-operating district sending K-8 students to Upper Township schools and high school students to Ocean City. Sea Isle City and Upper Township are K-8 and sending to Ocean City for 9-12. Ocean City is a K-12 district.

Issues

Enrollments are growing in all the districts. No land is presently available to build a new high school in Ocean City. Approximately 58% of the students at the high school are from sending districts. A bond referendum for an addition to the school was overwhelmingly defeated because of the strong sentiment that Upper Township should provide for its own students.

Summary and/or Recommendations

Upper Township would be able to provide a high school for its own students with minimal educational impact on Ocean City Schools. The negative impacts would be organizational (less courses at Ocean City High School, reduction in force of teachers, and extracurricular activity reorganization) and could be solved. Any negative impact must be weighed against the ability of the Ocean City Board of Education to provide adequate facilities. Corbin City and Sea Isle City could continue to send their high school students to Ocean City, but at some point Corbin City may decide to send to Upper Township because of its already existing relationship with that district for K-8.

New Jersey Department of Treasury's Local Government Budget Review Reports

In order for a school district to participate in the Local Government Budget Review Program, a majority of the elected officials must request the help through a resolution. The governing body must agree to make all personnel and financial records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

Bradley Beach Board of Education (Monmouth County)

General Information: The Bradley Beach district (K-8) maintains a sending relationship on a full-time basis with Asbury Park High School, a lottery system for entry into the Neptune High School, and an application program with Red Bank Regional High School.

Issues	Summary and/or Recommendations
Bradley Beach is a shore community with a substantial portion of the homeowners occupying their home during the summer months and renting their properties throughout the rest of the year. According to the report from the local review team, "this district has reached the level of efficiency where it cannot go any further".	The budget review team felt that the Board of Education should immediately contact the Neptune City and Avon-by-the-Sea Boards of Education to discuss potential regionalization. Regionalization could possibly result in closing one of the three schools and the elimination of two superintendents, two Board Secretaries, and clerical staff. This reduction alone could bring substantial savings to taxpayers. Regionalization could also lead to a number of educational enhancements in such areas as computer technology, educational programming, and special education services.

Borough of Jamesburg Board of Education (Middlesex County)

General Information: The Jamesburg School District is a K-8 system that sends high school students to Monroe Township for 9-12. Jamesburg operates two schools for 530 students.

Issues	Summary and/or Recommendations
The 18% increase in enrollment from the 1991-92 to the 1993-94 school years and the expected 5.7% increase in the 1995-96 school year has overburdened school facilities already utilized to near capacity. Both district buildings are in need of repair and considerable maintenance, as well as requiring costly renovations to comply with the Americans with Disabilities Act. Space limitations may result in students being placed out-of-district at considerable taxpayer expense.	The single most important recommendation of the team was that the borough should seriously consider merging with another municipality (a separate report was done for the municipality with the same recommendation). If this were to happen, the Jamesburg School District would no longer continue to exist as a separate entity but would become part of the larger municipality's school district. The team recommended that the school district examine consolidation before moving ahead with its expansion plans.

Positions of Statewide Advocacy Groups on Regionalization

New Jersey School Boards Association (NJSBA)

The NJSBA's policy on school district regionalization was reviewed and revised in 1992 by the Staff Task Force on Regionalization.

This organization encourages districts to regionalize where the districts determine after thorough study that regionalization would provide educational and/or financial benefits to the districts involved. The Association will provide guidance and assistance to districts interested in exploring regionalization on a voluntary basis. NJSBA seeks legislation that would provide state aid for regionalization studies. Legislation will be sought to provide for a ten-year phase-in of any increase in the tax levy of a constituent member of a newly-formed regional school district.

New Jersey League of Women Voters
As long as the constitutional right to equal access to education opportunities is not abridged, the League of Women voters believes that the final decision on regionalizing school districts should lie with the citizens in the affected districts. The League believes in the encouragement of regionalization of schools and services under certain circumstances. Such encouragement, however, should be in form of technical assistance or financial aid by the state rather than by state mandate. Independent voluntary sharing of services should also be encouraged as a means of improving efficiency and the quality of education.

New Jersey Association of School Business Officials (see report in Section X-B5)

New Jersey Education Association

The NJEA policy statement on school district regionalization was revised in November, 1995 as a result of proposed legislation (Bill A-957) which would affect personnel decisions in new school districts created as a result of regionalization.

Summary of the NJEA policy:

1. Legislation providing incentives for school district regionalization should be viewed as acceptable and supportable given that the provisions described below are included.
2. School district regionalization must be voluntary in all cases.
3. All employee rights, including seniority and tenure, must be fully protected.
4. The issue of which contract provision should prevail in the reorganized regional district should be resolved through negotiations with all certified collective bargaining agents in the new regional district.
5. Employees of involved districts must be included in the reorganization process through mandatory consultation with all certified collective bargaining representatives in affected districts.
6. The issue of size of the reorganized regional district should be left to the local decision making process and should not be restricted by state mandates. This position is supported by the absence of strong research support for any particular district size or scale of operation model.

New York State
Reorganization Incentive Aid

New York State Law provides additional operating and building aid to assist sschool districts that reorganize in accordance with a plan approved by the Commissioner of Education. Since the incentive aid provision is contained in statute, payment of the additional aid is guaranteed by the State of New York. If this provision in law were to be rescinded by the Legislature at some future date, districts that reorganized prior to that date would continue to qualify for the additional aid.

Reorganization Incentive Aid Will Be Paid On The Following Basis:

INCENTIVE OPERATING AID: Ref.-Education Law Section 3602(14)(d)(f)(i)

School districts which reorganize on or after July 1, 1992, receive an additional apportionment equal to forty (40) percent of computed formula operating aid for a period of five (5) years. Thereafter, the forty percent is reduced by four percentage points each year until the apportionment is eliminated. In no case can total operating aid exceed ninety-five percent of approved annual operating expense.

Example

	District "A" 800 pupil units	District "B" 500 pupil units	District combined 1,300 pupil units
Regular Formula Operating Aid	$2,000,000	$1,200,000	$3,200,000
Additional Operating Aid for Reorganization			$1,280,000

Additional Aid for Reorganization during 14-year period; assuming no annual increase in formula operating aid:

Year 1	40%	$1,280,000	Year 8	28%	$896,000
Year 2	40%	$1,280,000	Year 9	24%	$768,000
Year 3	40%	$1,280,000	Year 10	20%	$640,000
Year 4	40%	$1,280,000	Year 11	16%	$512,000
Year 5	40%	$1,280,000	Year 12	12%	$384,000
Year 6	36%	$1,152,000	Year 13	8%	$256,000
Year 7	32%	$1,024,000	Year 14	4%	$128,000

Total Additional Aid Over 14-year Period $12,160,000

Incentive Operating Aid is paid in addition to any other aid that the new district is entitled to, i.e., save harmless aid, growth aid, BOCES aid, transportation aid, building aid, etc.

If districts were on save harmless and therefore eligible for $4,500,000 in operating aid, the additional $1,800,000 incentive aid would be in addition to that. In other words, the 40% is applied to the computed Formula Aid of the $4,500,000 and then added to the amount of save harmless aid provided. Total aid in this exemple would be $4,500,000 plus $1,800,000 or $6,300,000.

In second and subsequent years, the same principle would apply. The amount of incentive aid will be computed by multiplying the formula operating aid the district is eligible for by

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the approporiate incentive aid percent. This incentive aid amount will be paid in addition to the greatest amount of operating aid to which the district is otherwise entitled.

Note 1: Operating aid plus reorganization incentive aid may not exceed 95% of approved base year operating expense.

Note 2: Operating incentive aid begins with first year of operation as a reorganized district:

Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Percent:	40	40	40	40	40	36	32	28	24	20	16	12	8	4	0

Building Incentive Aid

Reference - Education Law 3602(14)(c)(f)

School districts which reorganized on or after July 1, 1983 receive an additional building aid apportionment of thirty (30) percent on approved costs for all capital projects undertaken within ten years following the effective date of reorganization.

Example

a. Assuming the approved cost of a capital construction project is -	$3,500,000
b. And the annual debt service payment, principal plus interest, on the project is -	$500,000
c. And assuming that the building aid ratio for regular building aid is -	60%
d. Then the regular state buildingaid payments to the district would be -	$300,000
e. However, incentive aid would provide an additional -	30%
f. Thus, the annual incentive aid would be -	$90,000
g. Making the annual total state building aid received -	$390,000
h. And the district's annual share -	$110,000

Important: Total building aid, regular plus incentive, cannot exceed 95% of approved annual expenditures for the debt service on such projects.

For further information contact: Bureau of District Organization, BOCES and Rural Services, New York State Education Department, Albany, New York 12234 (518-474-3936)

A-680 Bagger; Lefevre
Pre-filed.
Establishes a regionalization and shared administrative services incentive fund for public school districts.
Jan 9, 1996 – Prefiled
Jan 11, 1996 – Introduced in Assembly
Jan 11, 1996 – Referred: Assembly Education

A-1397 AcaAa (2R) **Bagger**
Pre-filed.
Provides procedure for school districts which determine to share the services of a superintendent or business administrator.
Jan 9, 1996 – Prefiled
Jan 11, 1996 – Introduced in Assembly
Jan 11, 1996 – Referred: Assembly Education
Mar 25, 1996 – Reported with Assembly committee amendment
Mar 25, 1996 – 2nd reading in Assembly
Mar 28, 1996 – Assembly amendment (voice vote) (voice vote) (Bagger)
Mar 28, 1996 – 2nd reading in Assembly

S-386 Sca (1R) **DiFrancesco; DiFrancesco; Palaia**
Establishes a Regionalization and Shared Administrative Services Incentive Fund for public school districts.
Establishes a Regionalization and Shared Administrative Services Incentive Fund for public school districts.
Jan 9, 1996 – Prefiled
Jan 9, 1996 – Prefiled
Jan 11, 1996 – Introduced in Senate
Jan 11, 1996 – Referred: Senate Education
Jan 11, 1996 – Introduced in Senate
Jan 11, 1996 – Referred: Senate Education
Feb 15, 1996 – Reported by committee
Feb 15, 1996 – Reported by committee
Feb 15, 1996 – 2nd reading in Senate
Feb 15, 1996 – Referred: Senate Budget and Appropriations
Mar 7, 1996 – Reported with Senate committee amendments
Mar 7, 1996 – 2nd reading in Senate
Mar 21, 1996 – Passed by the Senate (39-0) (Cardinale)
Mar 25, 1996 – Received by the Assembly
Mar 25, 1996 – Referred: Assembly Education

S-820 (S-1968) **Schluter**
Establishes a program for a case study of the governance and organization of the several school districts within a county; appropriates $250,000.
Feb 15, 1996 – Proposed for Senate introduction
Feb 22, 1996 – Introduced in Senate
Feb 22, 1996 – Referred: Senate Education

S-828 (S-1313) **Bubba**
Establishes a sending-receiving school district termination pilot program in DOE.
Feb 22, 1996 – Proposed for Senate introduction
Feb 26, 1996 – Introduced in Senate
Feb 26, 1996 – Referred: Senate Education

S-1063 Ewing; Palaia
Establishes the Educational Facilities Loan and Grant Program.
Mar 21, 1996 – Proposed for Senate introduction

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MICHAEL DONEY
Chief School Administrator

JAMES ALERCIA
Assistant Principal

MARY ANN ARCH
Board Secretary/Business Administrator

April 7, 1992

THE HONORABLE JAMES J. FLORIO
Governor, State of New Jersey
The State House
Trenton, New Jersey 08625

Dear Governor Florio,

The consolidation of school districts via regionalization is a hot topic around our state. We, in Independence Township, Hackettstown, Allamuchy Township and Liberty Township have been right in the midst of these flames. More than two years ago we embarked on a study to determine the feasibility of dissolving our four districts and forming one new regional K-12 school district. Our investigation included facilities utilization, demographic trends and projections, educational program diversification and the fiscal economies to be realized by consolidating. We completed a "Facilities Use and Demographic Study," an "Informal Study for Regionalization," and the "Formal Study for Regionalization."

All four Boards of Education have committed to place the question of regionalization before the voters of our districts. We submitted our "Formal Study" to the State Department of Education in August 1991. We are presently awaiting "word" from Trenton on whether to proceed or not.

While the delay has been agonizing for our Boards of Education, it may have been a blessing in disguise. I recently received a copy of the Executive Summary for "Voluntary Regionalization" which has been prepared by the Bureau of Planning and Research in the Division of Finance at the Department of Education in conjunction with the Governor's office. My immediate reaction is "Hip, Hip, Hooray." I applaud the authors of this proposal. I agree with its purpose and its focus. Taking the $$ concerns out of the decision making arena only leaves the emotional issue of regionalization with which to contend. My only selfish reservation is timing.

Our four districts are ready to proceed. We believe that the proposal would certainly help us in convincing our voters of the overwhelming number of benefits to be derived via regionalization. For with this proposal there would be no downside to our venture. We would be gaining in all respects -- better use of facilities, an improved ability to contend with demographic changes, educational program expansion and diversification and, most important to the local taxpayer, all this for less local tax. In our case this is of optimum importance for, as per our study, the operation of our new regionalized district would have cost each of our local districts more than operating separately.

Please don't delay. Move this proposal into the hands of the powers to be. Expedite the political process which must be followed. Urge the legislators to consider the positive implications of the proposal. We have waited for 7 months. We aren't pleased with the wait, but our displeasure will certainly be reevaluated if this "Voluntary Regionalization Proposal" moves forward.

In closing, let me also request that our four districts be considered for the "Demonstration Program." Although none of the four Boards of Education has taken formal action on this topic, I am taking the liberty of asking for this consideration. I would like to be kept abreast of the movement of this proposal and would be more than happy to become involved in whatever way possible.

Sincerely,

M Doney

Michael Doney
Chief School Administrator

MD/ew

c.c.:

STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

ADVISORY ADMINISTRATIVE PROCEDURES

QUESTIONS AND ANSWERS CONCERNING THE FORMATION OF REGIONAL SCHOOL DISTRICTS

Prepared under the direction of
the Division of Urban and Field Services

Dr. Elena Scambio
Assistant Commissioner

New Jersey State Department of Education
225 East State Street
CN 500
Trenton, New Jersey 08625

October, 1993

II. ADMINISTRATIVE PROCEDURES FOR FORMING A REGIONAL SCHOOL DISTRICT

A. A local board or boards of education should initially request an informal fact finding meeting with the appropriate county superintendent(s) in order to identify issues and discuss the process of regionalization. Regionalization studies, which shall be initiated by local boards of education, serve as a data base and an awareness and decision making document. Studies may cross county lines.

B. The county superintendent(s) will review the results of the initial meeting and arrange an informal fact-finding meeting with all interested boards and the chief school administrators to develop additional input and establish the review process. (Note: This meeting is for fact-finding and is not subject to the requirements of the Open Public Meetings Act.)

C. At the fact-finding meeting, the county superintendent(s) will:

1. review the feasibility study process stressing the need for and value of the process.

2. identify the fiscal responsibility of the districts in conducting the study.

3. request a resolution by each board of education to proceed with the study.
NOTE: It is advisable to stress the need for skilled personnel to implement this decision making document.

D. If a feasibility study is approved by the interested boards of education with the intent to regionalize, a representative advisory committee will be established. This committee will consist of at least two board members from each district, the chief school administrator, the board solicitor and community representatives appointed by the board of each district. Appropriate oversight guidance will be provided through the department of education.

E. The feasibility study advisory committee will elect a committee chairperson and:

1. Develop a plan of action to implement the feasibility study.

2. Review and critique the study as it develops.

3. Develop and implement a plan to report to respective boards and constituents the content and progress of the study.

F. If the completed feasibility study indicates that regionalization is appropriate, the participating boards will submit the study to the county superintendent(s) for review. If there is a need for clarification or additional information, the county superintendent(s) will make such request to the chief school administrators.

G. Each board of education will submit to the county superintendent(s) its final action on the proposed plan together with copies of the adopted resolution and final report.
(**NOTE:** The withdrawal of a participating district at this point voids the study and this action necessitates a total revision of the study.)

H. When the county superintendent(s) has/have received resolutions of approval from all of the interested boards of education, the county superintendent(s) will submit a written request through the Division of County and Regional Services to the commissioner of Education for approval of the plan and permission to set a date for a referendum. (N.J.S.A. 18A:13-34 et seq.)

I. The county superintendent(s) will forward the completed study, with recommendations, to the Division of County and Regional Services for review by members of a departmental review committee. If additional information is required by the committee, a request will be submitted to the county superintendent(s) for transmittal to the participating boards. The participating boards will take the necessary action and resubmit the amended study for final review by the departmental review committee. The final report with recommendations will be forwarded by the departmental review committee to the Assistant Commissioner, Division of County and Regional Services.

J. If permission is granted by the Commissioner to set a date for a referendum, the participating boards of education are committed to conduct a special election to present the question to the voters. The local board of education will set the date of the question pursuant to N.J.S.A. 18A:13-34. The referendum may include a request for authorization to issue promissory notes or temporary loan bonds of the regional district in order to provide for the current expenses of the proposed regional district pursuant to N.J.S.A. 18A:13-27.

K. The question is then decided by the voters of the potential constituent districts. If approved in each of the constituent districts, the county superintendent(s) will set the effective date for formation, organization and operation of the new regional school district. (N.J.S.A. 18A:13-41)

L. The county superintendent will appoint to the new regional board the number of qualified members necessary to represent constituent districts in accordance with N.J.S.A. 18A:13-36, 13-37, and 13-38.

M. The newly formed regional board of education will make application to the county superintendent for approval of the position of chief school administrator subject to approval by the State Board of Education. (N.J.S.A. 18A:17-15)

Table 6. 1994 Equalized Valuation per Resident Pupil of Existing and Suggested School Districts in New Jersey.

1994 Equalized Valuation Per Resident Pupil	Existing School Districts		Suggested School Districts	
	Number	Percentage of Total*	Number	Percentage of Total*
$100,000 or less	5	0.9%	1	0.4%
100,001-200,000	51	8.8	24	9.3
200,001-300,000	87	15.1	34	13.2
300,001-400,000	121	21.0	58	22.5
400,001-500,000	78	13.5	37	14.3
500,001-600,000	51	8.8	31	12.0
600,001-700,000	53	9.2	26	10.1
700,001-800,000	27	4.7	14	5.4
800,001-900,000	23	4.0	8	3.1
900,001-1,000,000	15	2.6	7	2.7
1,000,001-1,500,000	31	5.4	16	6.2
1,500,001-3,000,000	19	3.3	2	0.8
Over 3,000,000	13	2.3	--	--
No pupils	3	0.5	--	--
Sub-Total	577		258	
County V-T	21		21	
County Sp.Svc.	8		8	
Total	606		287	

*Percentages based on subtotal, omitting county vocational and special services districts.

Source: State aid printouts from New Jersey Department of Edvucation.

SUGGESTED K-12 REGIONAL SCHOOL DISTRICTS
(Showing Existing Districts to be Included and 1994 Resident Enrollment)

ATLANTIC COUNTY

Atlantic City Regional: 9,796.0 pupils (NEW)
- Atlantic City (6,673.5)#
- Brigantine (1,286.0)**
- Longport (51.0)**
- Margate (681.0)**
- Ventnor (1,104.5)**

Buena Regional: 2,900.5 pupils
- Existing Buena Regional (1,994.0)#
- Estell Manor (309.5)**
- Newfield (250.5)**
- Weymouth (346.5)**

Greater Egg Harbor Regional: 9,614.0 pupils
- Existing Greater Egg Harbor Regional (2,378.0)#
- Egg Harbor City (597.0)*
- Galloway (3,229.0)*
- Hamilton (2,269.0)*
- Mullica (827.0)*
- Port Republic (196.0)**
- Washington Twp.(Burl.)(118.0)**

Hammonton Regional: 2,330.0 pupils (NEW)
- Hammonton (1,909.0)#
- Folsom (421.0)*

Mainland Regional: 3,944.5 pupils
- Existing Mainland Regional (1,050.5)
- Linwood (866.0)*
- Northfield (777.0)*
- Somers Point (1,251.0)*

Pleasantville Regional: 4,023.0 pupils (NEW)
- Pleasantville (3088.5)#
- Absecon (934.5)**

BERGEN COUNTY

Carlstadt-East Rutherford Regional: 1,665.5 pupils
- Existing Carlstadt-East Rutherford Regional (417.5)
- Carlstadt (563.0)*
- East Rutherford (685.0)*

Cliffside Park Regional: 3,015.0 pupils (NEW)
- Cliffside Park (1,838.5)#
- Fairview (1,176.5)**

Englewood Regional: 3,016.5 pupils (NEW)
- Englewood (2,548.5)#
- Englewood Cliffs (468.0)**

Hackensack Regional: 5,651.0 pupils (NEW)
- Hackensack (3,825.0)#
- Maywood (990.5)**
- Rochelle Park (554.0)**
- South Hackensack (281.5)**

Leonia Regional: 1,909.0 pupils (NEW)
- Leonia (1,358.5)#
- Edgewater (550.5)**

Midland Park Regional: 1,463.5 pupils (NEW)
- Midland Park (954.5)#
- Hohokus (509.0)**

Northern Highlands Regional: 2,418.5 pupils
- Existing Northern Highlands Regional (679.5)
- Allendale (808.0)*
- Upper Saddle River (931.0)*

Northern Valley Regional: 5,873.0 pupils
- Existing Northern Valley Regional (1,871.0)#
- Closter (893.0)*
- Demarest (550.0)*
- Harrington Park (587.0)*
- Haworth (347.0)*
- Northvale (439.0)*
- Norwood (613.0)*
- Old Tappan (557.0)*
- Rockleigh (16.0)**

Pascack Valley Regional: 4,963.0 pupils
- Existing Pascack Valley Regional (1,396.0)
- Hillsdale (1,047.0)*
- Montvale (707.0)*
- River Vale (1,098.0)*
- Woodcliff Lake (715.0)*

Ramapo-Indian Hills Regional: 6,031.5 pupils
- Existing Ramapo-Indian Hills Regional (1,749.5)
- Franklin Lakes (1,078.0)*
- Oakland (1,252.0)*
- Wyckoff (1,952.0)*

Ramsey Regional: 2,516.5 pupils (NEW)
- Ramsey (2,181.0)#
- Saddle River (335.5)**

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Ridgefield Park Regional: 2,344.5 pupils (NEW)
- Ridgefield Park (1,301.5)#
- Little Ferry (1,043.0)**

River Dell Regional: 2,420.5 pupils
- Existing River Dell Regional (1,049.5)
- Oradell (620.0)*
- River Edge (751.0)*

Tenafly Regional: 2,609.0 pupils (NEW)
- Tenafly (2,366.0)#
- Alpine (243.0)**

Westwood Regional: 2,236.5 pupils
- Existing Westwood Regional (2,236.5)

Wood-Ridge Regional: 1,009.0 pupils (NEW)
- Wood-Ridge (640.0)#
- Moonachie (369.0)**
- Teterboro (0.0)**

BURLINGTON COUNTY

Bordentown Regional: 1,886.0 pupils
- Existing Bordentown Regional (1,661.0)#
- New Hanover (225.0)**

Burlington City Regional: 2,500.0 pupils (NEW)
- Burlington City (1,312.0)#
- Edgewater Park (1,188.0)**

Lenape Regional: 19,753.0 pupils
- Existing Lenape Regional (5,557.0)
- Evesham (4,540.0)*
- Medford Township (2,589.0)*
- Medford Lakes (481.0)*
- Mount Laurel (3,715.0)*
- Shamong (921.0)*
- Southampton (885.0)*
- Tabernacle (1,065.0)*

Northern Burlington Regional: 4,004.0 pupils
- Existing Northern Burlington Regional (1,394.0)
- Chesterfield (251.0)*
- Mansfield (295.0)*
- North Hanover (1,762.0)*
- Springfield (302.0)*

Palmyra Regional: 1,847.0 pupils (NEW)
- Palmyra (1,102.0)#
- Beverly (431.0)**
- Riverton (314.0)**

Pemberton Regional: 6,686.0 pupils (NEW)
- Pemberton Township (6,240.0)#
- Pemberton Borough (248.0)**
- Woodland (198.0)**

Rancocas Valley Regional: 5,654.0 pupils
- Existing Rancocas Valley Regional (1,381.0)
- Eastampton (823.0)*
- Hainesport (438.0)*
- Lumberton (962.0)*
- Mount Holly (1,180.0)*
- Westampton (870.0)*

Riverside Regional: 1,645.0 pupils (NEW)
- Riverside (1,129.0)#
- Delanco (516.0)**

CAMDEN COUNTY

Audubon Regional: 2,044.0 pupils (NEW)
- Audubon (1,374.0)#
- Audubon Park (132.0)**
- Mt.Ephraim (538.0)**

Black Horse Pike Regional: 12,989.0 pupils
- Existing Black Horse Pike Regional (3,420.0)
- Bellmawr (985.0)*
- Gloucester Township (7,648.0)*
- Runnemede (936.0)*

Collingswood Regional: 3,366.0 pupils (NEW)
- Collingswood (2,172.0)#
- HiNella (114.0)**
- Oaklyn (558.0)**
- Woodlynne (522.0)**

Eastern Camden Regional: 5,955.0 pupils
- Existing Eastern Camden Regional (1,643.0)
- Berlin Borough (689.0)*
- Gibbsboro (311.0)*
- Voorhees (3,312.0)*

Gloucester City Regional: 2,478.0 pupils (NEW)
- Gloucester City (2,168.0)#
- Brooklawn (310.0)**

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Haddon Heights Regional: 2,265.0 pupils (NEW)
Haddon Heights (944.0)#
Barrington (841.0)**
Lawnside (480.0)**

Haddonfield Regional: 1,870.0 pupils (NEW)
Haddonfield (1,868.0)#
Tavistock (2.0)**

Lower Camden Regional: 13,157.5 pupils
Existing Lower Camden Regional (5,153.0)#
Berlin Township (535.0)*
Chesilhurst (153.0)*
Clementon (509.0)*
Lindenwold (1,434.5)*
Pine Hill (1,027.0)*
Pine Valley (0.0)**
Waterford (1,080.0)*
Winslow (3,266.0)*

Pennsauken Regional: 6,050.0 pupils
Pennsauken (5,528.0)#
Merchantville (522.0)**

Sterling Regional: 2,698.0 pupils
Existing Sterling H.S. Regional (685.0)#
Laurel Springs (333.0)**
Magnolia (452.0)*
Somerdale (423.0)*
Stratford (805.0)*

CAPE MAY COUNTY

Middle Cape May Regional: 3,753.0 pupils (NEW)
Middle Township (2,422.0)#
Avalon (175.5)**
Dennis (1,057.5)**
Stone Harbor (98.0)**

Lower Cape May Regional: 3,763.5 pupils
Existing Lower Cape May Regional (1,528.5)#
Cape May City (298.0)*
Cape May Point (11.0)**
Lower Township (1,867.0)*
West Cape May (59.0)*

Ocean City Regional: 4,439.5 pupils (NEW)
Ocean City (1,805.5)#
Corbin City (70.0)**
Sea Isle City (288.0)**
Upper Township (2,276.0)**

Wildwood Regional: 1,833.5 pupils (NEW)
Wildwood (805.0)#
North Wildwood (529.5)**
West Wildwood (50.5)**
Wildwood Crest (448.5)**

CUMBERLAND COUNTY

Bridgeton Regional: 4,564.5 pupils (NEW)
Bridgeton (3,813.5)#
Downe (267.0)**
Lawrence (484.0)**

Cumberland Regional: 4,187.0 pupils
Existing Cumberland Regional (1,199.0)
Deerfield (380.0)*
Fairfield (750.0)*
Greenwich (98.0)*
Hopewell (502.0)*
Shiloh (79.0)*
Stow Creek (160.0)*
Upper Deerfield (1,019.0)*

Millville Regional: 7,200.0 pupils (NEW)
Millville (5,160.5)#
Commercial (1,047.0)**
Maurice River (656.5)**
Woodbine (336.0)**

ESSEX COUNTY

West Essex Regional: 2,793.5 pupils
Existing West Essex Regional (1,224.5)
Essex Fells (170.0)*
Fairfield (591.0)*
North Caldwell (502.0)*
Roseland (306.0)*

GLOUCESTER COUNTY

Clearview Regional: 3,235.5 pupils
Existing Clearview Regional (1,362.5)
Harrison Township (764.0)*
Mantua (1,109.0)*

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Gateway Regional: 2.343.5 pupils
Existing Gateway Regional (1.062.5)
National Park (350.0)*
Wenonah (230.0)*
Westville (402.0)*
Woodbury Heights (299.0)*

Kingsway Regional: 3.231.0 pupils
Existing Kingsway Regional (867.0)#
East Greenwich (538.0)*
Logan (1.144.0)**
South Harrison (206.0)*
Swedesboro (476.0)*

Paulsboro Regional: 2.030.5 pupils (NEW)
Paulsboro (1.213.0)#
Greenwich (817.5)**

Southern Gloucester Regional: 3.762.0 pupils
Existing Southern Gloucester Regional 1,690.0
Elk (396.0)*
Franklin Township (1,676.0)*

HUDSON COUNTY

Harrison Regional: 2.098.5 pupils (NEW)
Harrison Town (1,765.5)#
East Newark (333.0)**

North Bergen Regional: 7.219.0 pupils (NEW)
North Bergen (6,179.5)#
Guttenberg (1.039.5)**

HUNTERDON COUNTY

Delaware Valley Regional: 2.644.0 pupils
Existing Delaware Valley Regional (716.0)
Alexandria (541.0)*
Frenchtown (197.0)*
Holland (589.0)*
Kingwood (462.0)*
Milford (139.0)*

Hunterdon Central Regional: 7.413.0 pupils
Existing Hunterdon Central Regional (1.835.0)
Delaware Township (516.0)*
East Amwell (513.0)*
Flemington-Raritan (2.914.0)*
Readington (1.635.0)*

North Hunterdon Regional: 7,312.0 pupils
Existing North Hunterdon Regional (1.912.0)
Bethlehem (459.0)*
Califon (154.0)*
Clinton Town (236.0)*
Clinton Township (1.443.0)*
Franklin Township (306.0)*
Glen Gardner (210.0)*
Hampton Borough (205.0)*
High Bridge (495.0)*
Lebanon Borough (125.0)*
Lebanon Township (743.0)*
Tewksbury (571.0)*
Union (453.0)*

South Hunterdon Regional: 842.5 pupils
Existing South Hunterdon Regional (345.5)*
Lambertville (258.0)*
Stockton (53.0)*
West Amwell (186.0)*

East Windsor Regional: 4.056.0 pupils
Existing East Windsor Regional (3,905.0)#
Roosevelt (151.0)**

Hopewell Valley Regional: 2.838.5 pupils

Lawrence Regional: 4.187.0 pupils (NEW)
Lawrence (3,404.0)#
Washington Township (783.0)**

Princeton Regional: 3.243.0 pupils
Existing Princeton Regional (2,721.5)#
Cranbury (521.5)**

West Windsor-Plainsboro Regional: 6.510.0 pupils

MIDDLESEX COUNTY

Monroe Regional: 3.219.0 pupils (NEW)
Monroe (2,533.0)#
Jamesburg (686.0)**

Spotswood Regional: 2.197.0 pupils (NEW)
Spotswood (1,086.5)#
Helmetta (208.0)**
Milltown (902.5)**

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MONMOUTH COUNTY

Asbury Park Regional: 4.025.0 pupils (NEW)
Asbury Park (3,273.5)#
Allenhurst (6.0)**
Avon (172.0)**
Bradley Beach (522.0)**
Deal (46.0)**
Interlaken (5.5)*

Freehold Regional: 27.705.0 pupils
Existing Freehold Regional (7,423.0)
Colts Neck (882.0)*
Farmingdale (207.0)*
Freehold Borough (1.039.0)*
Freehold Township (2.986.0)*
Howell (6.233.0)*
Manalapan-Englishtown (4,667.0)*
Marlboro (4,268.0)*

Henry Hudson Regional: 1.000.0 pupils
Existing Henry Hudson Regional (415.5)
Atlantic Highlands (317.0)*
Highlands (267.5)*

Manasquan Regional: 3.397.0 pupils (NEW)
Manasquan (911.5)#
Belmar (641.5)**
Brielle (591.5)**
Sea Girt (218.0)**
South Belmar (200.5)**
Spring Lake (337.5)**
Spring Lake Heights (496.5)**

Matawan-Aberdeen Regional: 3.609.0 pupils

Monmouth Regional: 4.368.5 pupils
Existing Monmouth Regional (1.024.5)
Eatontown (1.617.0)*
Tinton Falls (1.727.0)*

Neptune Regional: 4.205.5 pupils (NEW)
Neptune Township (3.640.0)#
Neptune City (565.5)**

Red Bank Regional: 4.479.5 pupils
Existing Red Bank Regional (798.5)#
Little Silver (752.0)*
Red Bank Borough (864.0)*
Shrewsbury Borough (420.0)*
Union Beach (1.645.0)**

Rumson-Fair Haven Regional: 2.255.0 pupils
Existing Rumson-Fair Haven Regional (624.0)
Fair Haven (809.0)*
Rumson (822.0)*

Shore Regional: 2.204.5 pupils
Existing Shore Regional (602.5)
Monmouth Beach (273.0)*
Oceanport (597.0)*
Sea Bright (80.0)*
West Long Branch (652.0)*

Upper Freehold Regional: 3,301.5 pupils
Existing Upper Freehold Regional (940.0)#
Millstone Township (1.206.5)**
Plumsted (1,155.0)**

MORRIS COUNTY

Boonton Regional: 2.827.5 pupils (NEW)
Boonton Town (981.0)#
Boonton Township (560.0)**
Lincoln Park (1.286.5)**

Butler Regional: 1.966.5 pupils (NEW)
Butler (979.5)#
Bloomingdale (987.0)**

School District of the Chathams: 2.313.5 pupils

Dover Regional: 2.746.5 pupils (NEW)
Dover (2.135.0)#
Mine Hill (419.5)**
Victory Gardens (192.0)**

Hanover Park Regional: 4.009.5 pupils
Existing Hanover Park Regional (1.229.5)
East Hanover (939.0)*
Florham Park (707.0)*
Hanover (1.134.0)*

Kinnelon Regional: 1.760.0 pupils (NEW)
Kinnelon (1.416.0)#
Riverdale (344.0)**

Madison Regional: 2.015.0 pupils (NEW)
Madison (1.674.5)#
Harding (341.0)**

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Morris Hills Regional: 7.244.0 pupils
Existing Morris Hills Regional (2.370.0)
Denville (1.325.0)*
Rockaway Borough (532.0)*
Rockaway Township (2,414.0)*
Wharton (603.0)*

Morris School District: 4.490.5 pupils
Existing Morris School District (3,844.5)#
Morris Plains (646.0)**

Roxbury Regional: 4.360.0 pupils (NEW)
Roxbury (3.838.5)#
Mt.Arlington (521.5)**

West Morris Regional: 6.368.0
Existing West Morris Regional (1.913.0)
Chester (964.0)*
Mendham Borough (476.0)*
Mendham Township (507.0)*
Washington Township (2.508.0)*

OCEAN COUNTY

Central Ocean Regional: 4.239.0 pupils
Existing Central Regional (1,804.0)
Berkeley (1.774.0)*
Island Heights (140.0)*
Ocean Gate (191.0)*
Seaside Heights (197.0)*
Seaside Park (133.0)*

Manchester Regional: 3.436.0 pupils (NEW)
Manchester (2.769.5)#
Lakehurst (566.5)**

Pinelands Regional: 3.525.5 pupils
Existing Pinelands Regional (1,436.5)
Bass River (171.0)*
Eaglewood (141.0)*
Little Egg Harbor (1.502.0)*
Tuckerton (275.0)*

Point Pleasant Beach Regional: 1.027.5 pupils (NEW)
Point Pleasant Beach (697.5)#
Bay Head (80.0)**
Lavallette (233.0)**
Mantoloking (17.0)**

Southern Ocean Regional: 7.315.5 pupils
Existing Southern Regional (1.604.5)#
Barnegat (2.777.5)**
Beach Haven (96.0)*
Long Beach Island (385.0)*
Ocean (1.043.5)**
Stafford (1.409.0)*

Toms River Regional: 16.856.0 pupils

PASSAIC COUNTY

Lakeland Regional: 3.410.5 pupils
Existing Lakeland Regional (1.076.0)
Ringwood (1.396.0)*
Wanaque (938.5)*

Passaic-Manchester Regional: 2.535.0 pupils
Existing Passaic-Manchester Regional (634.0)
Haledon (714.0)*
North Haledon (527.0)*
Prospect Park (660.0)*

Passaic County Regional #1: 3.408.0 pupils
Existing Passaic County Regional #1 (1.023.0)
Little Falls (789.0)*
Totowa (768.0)*
West Paterson (828.0)*

SALEM COUNTY

Penns Grove-Carneys Point Regional: 2.607.0 pupils
Existing Penns Grove-Carneys Point Regional (2.237.5)
Oldmans (369.5)**

Pittsgrove Regional: 2.077.0 pupils (NEW)
Pittsgrove (1.823.5)#
Elmer (253.5)**

Salem Regional: 2.321.5 pupils (NEW)
Salem (1.246.0)#
Elsinboro (139.5)**
Lower Alloways Creek (310.5)**
Mannington (215.5)**
Quinton (410.0)**

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Woodstown-Pilesgrove Regional: 2,461.5 pupils
Existing Woodstown-Pilesgrove Regional (1,252.0)#
Alloway (624.5)**
Upper Pittsgrove (585.0)**

SOMERSET COUNTY

Bound Brook Regional: 1,970.0 pupils (NEW)
Bound Brook (1,374.0)#
South Bound Brook (596.0)**

Bridgewater-Raritan Regional: 5,984.0 pupils

Hillsborough Regional: 5,787.5 pupils (NEW)
Hillsborough (5,736.5)#
Millstone Borough (51.0)**

Montgomery Regional: 1,987.0 pupils (NEW)
Montgomery (1,923.0)#
Rocky Hill (64.0)**

Somerset Hills Regional: 1,803.0 pupils
Existing Somerset Hills Regional (1,157.5)#
Bedminster (645.5)**

Somerville Regional: 3,226.5 pupils (NEW)
Somerville (1,406.0)#
Branchburg (1,820.5)**

Watchung Hills Regional: 4,043.5 pupils
Existing Watchung Hills Regional (942.0)#
Green Brook (585.5)**
Long Hill (708.0)*
Warren Township (1,385.0)*
Watchung (423.0)*

SUSSEX COUNTY

High Point Regional: 4,297.0 pupils
Existing High Point Regional (1,003.0)#
Branchville (108.0)*
Frankford (690.0)*
Lafayette (245.0)*
Montague (552.0)**
Sussex-Wantage (1,699.0)*

Kittatinny Regional: 2,442.5 pupils
Existing Kittatinny Regional (1,003.5)
Fredon (255.0)*
Hampton Township (488.0)*
Sandyston-Walpack (169.0)*
Stillwater (527.0)*

Lenape Valley Regional: 2,424.0 pupils
Existing Lenape Valley Regional (716.0)
Byram (1,021.0)*
Netcong (323.0)*
Stanhope (364.0)*

Newton Regional: 2,611.5 pupils (NEW)
Newton (1,173.0)#
Andover Regional (855.5)**
Green (583.0)**

Wallkill Valley Regional: 2,688.0 pupils
Existing Wallkill Valley Regional (634.0)
Franklin Borough (645.0)*
Hamburg (344.0)*
Hardyston (665.0)*
Ogdensburg (400.0)*

UNION COUNTY

Rahway Regional: 3,454.0 pupils (NEW)
Rahway (3,256.0)#
Winfield (198.0)**

Scotch Plains-Fanwood Regional: 3,931.0 pupils

Union County Regional: 7,497.0 pupils
Existing Union County Regional (2,168.0)
Berkeley Heights (1,361.0)*
Clark (1,205.0)*
Garwood (415.0)*
Kenilworth (656.0)*
Mountainside (516.0)*
Springfield (1,176.0)*

WARREN COUNTY

Belvidere Regional: 1,778.5 pupils (NEW)
Belvidere (544.5)#
Harmony (400.0)**
Hope (296.0)**
White (538.0)**

Hackettstown Regional: 2,929.5 pupils (NEW)
Hackettstown (1,248.5)#
Allamuchy (403.5)**
Great Meadows Regional (1,277.5)**

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North Warren Regional: 2.009.5 pupils
  Existing North Warren Regional (804.5)#
  Blairstown (574.0)*
  Frelinghuysen (188.0)*
  Hardwick (146.0)*
  Knowlton (297.0)*
  Pahaquarry (0.0)**

Phillipsburg Regional: 4.862.0 pupils (NEW)
  Phillipsburg (2,683.5)#
  Alpha (356.0)**
  Bloomsbury (142.5)**
  Greenwich (443.0)**
  Lopatcong (716.5)**
  Pohatcong (520.5)**

Warren Hills Regional: 4.160.5 pupils
  Existing Warren Hills Regional (1,607.0)#
  Franklin Township (260.0)*
  Mansfield (666.0)*
  Oxford (266.5)**
  Washington Borough (649.0)*
  Washington Township (712.0)*

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